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# USSR Report

INTERNATIONAL AFFAIRS

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21 November 1985

# USSR REPORT

## INTERNATIONAL AFFAIRS

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## WORLDWIDE TOPICS

### ROLE OF RELIGION IN FORMULATION OF WESTERN FOREIGN POLICY

Moscow MEZHDUNARODNAYA ZHIZN in Russian No 6, Jun 85 pp 83-91

[Article by N. Kovalskiy, doctor of historical sciences, professor. Author of a number of articles and books on problems of international relations and the role of clericalism in the world arena, including "The Vatican and World Politics" and "Catholicism and Diplomacy."]

[Text] Throughout the existence of human civilization religion has had a substantial influence on politics. It has not only left its mark on the sociopolitical structure of individual countries but has played an important role in defining their foreign policy line, in joining various blocs and coalitions and in resolving problems of international life and war and peace. In our time as well, despite the tempestuous blossoming of scientific knowledge, the religious factor is being felt in the world arena, for a considerable portion of the population still retains religious beliefs.

The role of religion in contemporary world politics is not simple. Popular actions frequently develop under religious slogans. The masses of believers and the clergy who express their moods--its lower and middle ranks predominantly--are joining the struggle for social change in various parts of Latin America, Asia and Africa. Many believers, their organizations and representatives of the church have assumed an essentially active position in the antiwar movement in Western Europe and North America.

However, the most aggressive part of imperialist circles, particularly in the United States, are trying to use for their own purposes the attachment of the masses to and the nature of religion, openly relying on the mobilizing forces of reactionary clericalism, religious fundamentalism, the most conservative groups in Christianity and Islam, etc. There have rarely been occasions in the American past in which politics and religion have been tied together as firmly as they are now.

Speculation on religious feelings is becoming daily practice. A bourgeois-clerical system of views is being intensively instilled in the minds of the believers, including in problems of world politics. By such means the U.S. ruling circles would like to ensure the support of a considerable percentage of the population in their country and the other NATO members in order to

fulfill their strategic tasks in the area of imperialist foreign political activities.

The course of ideologization of U.S. foreign policy in its religious variant made its appearance as early as under the Carter presidency. Increasingly, the American leadership was inclined to consider that playing on the religious feelings in the United States and abroad offers new opportunities for the implementation of American interests in the international arena.

What specific forms were used to instill a religious ideology in American foreign policy?

First of all, this was manifested by introducing a bourgeois-religious morality in American foreign policy practice and expansionism. Actually, any U.S. action in the world arena and any one of its means and methods were proclaimed moral providing that they led to the desired objectives. The war waged against the people of Vietnam, the attack on Grenada, covert and overt subversive operations in Central America, militaristic provocations in the Middle East, etc. were presented as legitimate actions consistent with moral norms. In other words, the purpose of such "moralizing" was to support claims of impunity and total permissiveness.

Secondly, American conservative politicians and ideologues began to reduce the entire complexity of world processes, resting on the confrontation between socialism and capitalism, to the struggle between "good and evil," trying to substantiate in precisely this fashion the existence of two opposite social systems in the world. Naturally, according to this plan the Soviet Union, the entire socialist community and the fighters for social and national liberation were presented as the "forces of evil," whereas the United States and those who went along with it were the forces of "good."

The division of the world into countries of "good" and countries of "evil," and the politicizing of this formula, used in evaluating the situation on earth contain, in this nuclear century, a great deal of danger and are obviously of a provocative nature. Above all, such a formula excludes the possibility of peaceful coexistence among countries with different social systems. It presumes the rejection of any compromise and allows the first use of mass destruction weapons against those proclaimed to be the "forces of evil." In a word, this formula ensures the warmongers forgiveness of their sins, ascribes any possible military actions on their part a "holy" nature and is the ideological substantiation of the call for a "crusade" against world socialism, proclaimed by the American president in 1982.

The United States' aspiration to world domination, global hegemonism, the extension of its sphere of "vital interests" to the entire world and its self-assertion as the leader of the capitalist states, and the pursuit of a course of imposing upon all nations the "American way of life" stem from the messianic role of the United States which, allegedly, it must play in the world in accordance with divine plans. "Gradually, America has become...a country," American political expert M. Henry states, "performing a mission of salvation of the rest of mankind.... The spiritual renewal needed for entering the kingdom of heaven is converted, through American intercession,

into the transformation of the world which will enable everyone to experience happiness on earth."

Whereas the idea of messianism and the establishment of the notorious "pax Americana," are the "moral" substantiations for claims of world domination and global aspirations of American imperialism, the role of "fearless fighter" for the freedom of religion is used for purposes of interfering in the internal affairs of other nations. The defense of religion and religious freedom the world over is presented as being almost the sacred duty of the United States. Washington grants itself the right to determine whether the situation of the church and the believers in one country or another is satisfactory, assuming the role of supreme judge. Naturally, violations of religious freedoms are detected by the United States only in countries whose social system and politics are unacceptable to it.

The U.S. leadership refrains from making sharp statements on the subject of the assassination by their stooges of progressive clergymen in Central America or the bloody reprisal against American nuns in El Salvador for their refusal to support the "death squads." Nevertheless, the American leadership likes to discuss "repression of religious groups in the Soviet Union," the "persecution of the Catholic Church in Poland," etc. Even Nicaragua is accused of "persecuting the church," although, as we know, three Catholic clergymen in that country are ministers in the Sandinista government.

Matters, however, do not stop there. Religious topics are extensively used by imperialist forces in gaining ideological support for the arms race and the plans for preparations for and waging a new world war. Pertinent statements and topics from the Bible are exploited by the contemporary warmongers as justification of their criminal militaristic policy. Quotations which could be interpreted in a sense required for the implementation of such plans are being taken from the holy books and the writings of church authorities of the past. Efforts are being made to convince the population in the United States and the other NATO countries of the inevitability and inescapability of a third world war and, consequently, the uselessness of the struggle for the prevention of the threat of war.

It is suggested to the American believers that one should not fear a third world war, for God would not allow the death of righteous America and that victory will be on its side. Thus, C. Cribb, president of the evangelical ministries organization, claims that "Jesus will crush the multimillion soldiery of the devilish dictator-Antichrist." What stems from such considerations is that a war waged against the Soviet Union cannot be lost, for according to Jerry Falwell, the "Moral Majority" leader, "it will be waged not by the United States but by Our Lord Jesus Christ."

However, in order to win the future war and to avoid doom at the time of the apocalypse, Americans are asked to believe not only in Jesus but also in the military-industrial complex and to support the course of increased arms race. In this case, particular attention is being paid to lowering the intensiveness of the struggle, including the one waged by religious forces, on problems of nuclear weapons, which is increasingly considered in religious pacifist circles as immoral and conflicting with the ethical norms of Christianity.

The higher levels of the American administration are becoming increasingly active in the indoctrination of believers. Thus, nuclear disarmament, the freezing of nuclear potential in particular, which has been favored by a number of U.S. religious leaders, was proclaimed by the American President, in his address to the evangelists in Orlando, "a quite dangerous fraud." The American General Rogers, supreme commander in chief of the joint NATO armed forces in Europe, has also defended the "morality" of nuclear weapons. Whereas the current occupant of the White House has renamed the MX intercontinental ballistic missile the "Peacekeeper," to Rogers all American first-strike weapons become a "means of prevention of war," and therefore "morally justified." By means of such verbal juggling the policy of "nuclear deterrence," which shields plans for dealing a first nuclear strike at the Soviet Union and the other Warsaw Pact members, is presented as consistent with the ideals of Christianity. Of late, speculating on moral principles has become one of the means through which the imperialist circles would like to strengthen NATO, enhance its reputation and prevent a crisis about which a great deal is being written in the West. Efforts are being made to present this aggressive military organization to public opinion as a community of supporters of a united Christian civilization and fighters for common moral principles and views, naturally failing to mention that all NATO countries also include different social forces and conflicting classes and supporters of different outlooks. This was the path followed, for example, by West German Chancellor H. Kohl, who claims that "NATO is, above all, a community of ideas rather than of arms." He does not conceal that such a shift in emphasis in assessing NATO is needed above all to gain the support of the young and the "pacifists, who are quite frequently guided in their actions by religious motivations," and thus to rebuff "communist ideology."

The clerical circles which support the foreign policy views of the most aggressive part of the ruling circles of the imperialist countries are making a substantial contribution to the ideological indoctrination of public opinion in a spirit of militarism. In addition to extremist religious organizations, such as the already mentioned "Moral Majority," a number of representatives of the higher Catholic clergy, who categorically reject the antinuclear views held by many American Catholic bishops, act as supporters of the stockpiling of nuclear weapons in the United States.

Adding a clerical note to the foreign policy ideology of contemporary imperialism is one of the numerous manifestations of the spiritual crisis of the capitalist system. It is precisely its aggravation that forces the reaction to seize any available means to restrain this process. It is no accident in the least that the "show of muscle" in the international arena is being increasingly accompanied by the use of religious ideological systems needed for its substantiation.

The view that greater attention should be paid to religion regarding the USSR and the countries of Eastern Europe, and that religious features should be taken more fully into consideration in American foreign policy has been repeatedly expressed in the U.S. Congress. It is being recommended to whip up by all possible means matters related to religious problems in the socialist countries both in order to influence their populations and Western public



opinion, and to make more extensive use to this effect of the possibilities of the Congress, the parliaments of NATO countries and nongovernmental U.S. and Western European organizations. It is suggested that the visits of individual representatives and delegations from the West to be organized in such a way that in the course of their trip in the USSR and other countries within the socialist community they find cases of "violations" of religious freedom and establish ties with believers and clergymen dissatisfied with the loyal attitude of their own churches and religious associations toward the socialist system. The religious factor is also considered a means which could be used to weaken and even divide the antiwar movement.

In this connection, the need for a skillful concealment of political objectives behind speeches "in defense" of religious freedoms in the socialist countries is underscored: it is recommended not to emphasize them but, for the sake of greater persuasiveness and in order to create an impression of objectivity, to introduce in propaganda materials isolated mentions of religious persecutions in countries enjoying U.S. support.

The content of the strategy followed in the use of the religious factor in the policies of leading Western countries toward the socialist countries may be judged by the discussions and reports of the Trilateral Commission, which drafts the main outlines of international imperialist activities, and which consists of representatives of influential U.S., Western European and Japanese circles. If we were to decode the concepts contained in its materials we would see that they conceal plans for the struggle against Marxist-Leninist ideology with the help of religion and for the elimination of socialism as a social system. Typically, particular hope for their implementation is placed on the Vatican. This was frankly stated by Z. Brzezinski at one of the sessions of the Trilateral Commission: "...In my view, what John Paul II is doing now is of essential historical significance."

Foreign radio stations specializing in "psychological warfare" against the socialist community extensively resort to religious topics. The American Congress considers radio broadcasts to the socialist countries "the most important means with the help of which the United States can support religious movements in those countries." Congressmen regularly vote in favor of increasing the budget for subversive radio propaganda against the socialist world. In 1984 the Congress appropriated additional funds totaling \$21.3 million for Radio Free Europe and Radio Liberty. This led to an increase in their volume of broadcasts, including those on religious topics. James Buckley, the director of said radio broadcasting stations, emphasized in an interview the particular significance which is ascribed to including the topic of the "evil empire" in broadcasts.

In addition to American radio stations, the biggest radio centers of other NATO countries, such as the BBC, Deutschlandsender, and others, engage in subversive propaganda with the help of religious topics. Some international religious associations, the Vatican in particular, who claim that their radio broadcasts are of a strictly pastoral nature, are joining the antisocialist campaign.

In broadcasts on religious topics, particular attention is paid to efforts to hinder the building of socialism in Central and Eastern Europe. To this effect, antigovernmental materials of a religious nature are being popularized through radio broadcasts; articles skillfully written for subversive purposes are sought in the religious press in the socialist countries. The Voice of America skillfully speculated on the visit which John Paul II paid to Poland in 1983. It was no accident that after the visit 19 employees of the Polish section in the Voice of America were presented awards which, as they were told in the course of the presentation ceremony, they should consider as equal to awards presented on the battlefield.

The so-called "Antonov case," the case of a Bulgarian citizen who was accused of complicity in the attempt on the life of Pope John Paul II totally without grounds and for clearly provocative purposes, was the largest action undertaken by the CIA against the socialist community involving the use of the religious factor.

The direct involvement of the United States in the development of events after the shot fired by the Turkish fascist Agca at John Paul II in May 1981 is confirmed in particular by two telegrams sent by the American ambassador to Rome M. Rabb to Washington, which were published by the Italian journal PACE E GUERRA. "The campaign organized in Italy to draw the attention of the public to Bulgaria's participation in the attempt on the life of John Paul II is possible and very promising.... Friends from the SISMI (Italian Military Intelligence--author) assured our specialists that Agca is now ready to cooperate. U.S. help in this matter would be quite opportune," the cable, dated August 1982, read. It further suggested that General W. Walters, former CIA deputy director, be sent to Italy "for final coordination." Soon afterwards, the latter went to Rome and visited the Vatican. Another cable sent by the U.S. Embassy (December 1982) expressed, as the journal PACE E GUERRA notes, satisfaction with the development of the operation, the success of which was largely explained with the "reliability and reputation" of the American special services.

The imperialist circles greatly rely on energizing the activities of right-wing religious forces in the socialist countries. The numerous imperialist ideological centers not only support these forces but also assist them in their anti-Soviet, antisocialist and nationalist activities.

Imperialist reaction is particularly irritated by the fact that believers in the socialist countries are most directly participating in building a socialist society and that the majority of the clergy accepts the leading role of the socialist state and supports its foreign and domestic policy. In an effort to hinder the development of such processes, imperialist propaganda claims that believers and church associations consider the socialist state unacceptable and that they must wage overt or covert struggle against it. All sorts of attacks on the loyal clergy in the socialist countries are mounted. The independence of the churches and other religious associations from the state is questioned and slanderous campaigns are mounted against some of them, such as, for example, Pacem in Terris, the organization of Czechoslovak clergymen.

Imperialism is trying to present matters as though in the socialist countries believers are being discriminated against and prevented from exercising their freedom of conscience. Although such claims have nothing in common with reality, the right-wing forces have no intention of abandoning such efforts. This is confirmed by the decision of the U.S. Congressional Subcommittee on Human Rights and International Organizations to hold regular hearings on problems related to religion in the socialist countries.

Naturally, American reaction is particularly irritated by the exposure of the groundlessness of its anti-Soviet and antisocialist sallies, particularly on the part of religious leaders who could hardly be accused of any sympathy for communism. The healthy views of Billy Graham, the evangelist preacher who visited the USSR in 1982 and 1984, and who told the American audiences the truth about religion and the church in the Soviet Union, triggered the unconcealed hatred of U.S. right-wing circles.

Public campaigns of abuse have been mounted against other U.S. religious leaders who have dared to tell the truth in describing the situation with the freedom of conscience in the USSR. A hail of accusations of most different kinds fell on members of the delegation of the U.S. National Council of Churches of Christ who, following their trip to the Soviet Union in June 1984, defended at press conferences their view that churches are not persecuted in the USSR and that the Soviet citizens have the freedom to perform religious ceremonies.

According to the fall 1984 FOREIGN AFFAIRS issue, the attitude of one-quarter of the U. S. population toward the USSR is shaped by religion. Naturally this view is not free from anti-Soviet stereotypes, for the influence of right-wing forces on this group is quite strong. Nevertheless, the overwhelming majority of this category of the American population would like for the sword to be put back in the scabbard and fears the consequences of the possible use by the United States of its military potential. It fears a nuclear war and is aware of the need to live in peace with the Soviet people on the same planet.

The antiwar position held by many noted members of religion circles in the United States and a number of other NATO countries confirms that American imperialism is encountering significant difficulties in the use of the religious factor in achieving its expansionistic objectives. This segment of the clergy tends to take into consideration the opposition of its flock to the growth of the arms race and the inflation of military budgets and, as a result, the reduction of expenditures for social needs. Many clergymen consider it more sensible to support those groups of the monopoly bourgeoisie which prefer peaceful coexistence to war. Finally, the clergy realizes that a nuclear catastrophe would destroy the churches themselves.

Even the monstrous cynicism with which the imperialist circles, who are hoping for a military confrontation and the use of power, used to manipulate concepts precious to believers, is turning against them. Christ "taught us to love our neighbor...for which reason we show good will for other nations," claim the U.S. leaders. In fact, they engage in insulting sallies and even threats against the Soviet people and the peoples of the other socialist countries,

make plans for attacking Cuba, committed the aggression against Grenada and are waging an undeclared war on Nicaragua.

"We are a just nation. We are taught not to take that which belongs to others," the American leaders claim. In fact, they engage in the economic plunder of the liberated countries and display the aspiration to preserve at all cost an inequitable global economic order which allows international capital to profit from the exploitation of the populations of Latin America, Asia and Africa.

The naked hypocrisy which conceals a policy of guaranteeing the interests of the most reactionary part of the monopoly bourgeoisie is obvious. Quite topical in this connection are the words expressed by F. Engels, who clearly described 100 years ago the pharisaic methods of bourgeois politicians, noting that the more capitalist civilization advances "the more it is forced to throw a mantle of love on the negative phenomena it inevitably triggers, to embellish them or to deny them falsely or, in a word, to introduce in its practices universally accepted hypocrisy."<sup>2</sup>

The various categories of religious circles cannot ignore this. Although their view on problems of war and peace are frequently marked by inconsistency and the absence of a clear understanding of the reasons for the aggravation of the current international situation, nevertheless increasingly the views and specific practical steps of many of them are influenced by the sociopolitical changes occurring in the world. As a result, a considerable percentage of religious circles, who participate in the antiwar movement, are led by the objective course of events itself, to the conclusion that the threat to peace comes from the U.S. military-industrial complex, from American imperialism.

Actually, it was precisely this idea which was embedded in the antiwar pastoral message issued at the conference of U.S. Catholic bishops, which was discussed in the parishes, where resolutions subsequently directed to the U.S. President, the defense secretary and the secretary of state, were passed. This is no isolated example. A call for constructive talks between the United States and the USSR, with a view to concluding an agreement on freezing nuclear arsenals, and criticism of the policy pursued by the American administration in Central America are found also in resolutions adopted at conferences of representatives of Presbyterian churches in the United States and a number of American religious associations.

Similar processes can be clearly traced in Western Europe as well. In the FRG, the organization "Christian Democrats for Disarmament" addressed at the end of 1984 a message to Chancellor Kohl in which it asked him to launch initiatives which would freeze nuclear armaments and to stop the deployment of new American nuclear missiles in the FRG. Roughly during the same period, Bishop E. Lose, president of the Council of Evangelical Churches in the FRG, emphasized the significance of the fact that German soil must never again become the hotbed of war. Seventy percent of West German Protestants, according to a recent public opinion survey, believe that the Evangelical Church should participate in the peace movement.



In France the national conference of the National Federation of Protestants has spoken out in favor of banning mass destruction weapons. Catholic organizations, such as the "Christian Working Youth," Rural Christian Youth and others, have condemned the pro-NATO message adopted by the French Catholic bishops in 1983.

In Belgium, Catholic public organizations such as Pax Christi, the "Catholic Workers Movement," "Catholic Popular Groups," and others, are being very active.

In the Netherlands, a number of deputies from the Christian Democratic Appeal Party, which is the leading party in the cabinet, have spoken out against the deployment of American missiles in the country. The Ecumenical Peace Council, which rallies the Catholic, Reformist and Calvinist churches in the country, proclaimed its support of the national survey on the deployment of American cruise missiles in the Netherlands, planned for 1985, and resolved that this campaign should reach its peak in November, when the Dutch government intends to make a final decision on this question.

In Spain, on the eve of the New Year, Oviedo, Gabino Dias Merchan, the head of the National Conference of Catholic Bishops, condemned the growth of military expenditures and Spanish arms exports.

The international antiwar activeness of religious circles is intensifying as well. Thus, in recent years a World Conference on "Religious Leaders for the Salvation of the Sacred Gift of Life From Nuclear Catastrophe," an international meeting of religious personalities and experts on problems of the economic and moral consequences of freezing nuclear weapons, a meeting on "Space Without Weapons," and others have been held. Many international measures have been carried out with the active participation of the Russian Orthodox Church and other religious associations in our country. "Peacemaking is one of the sacred obligations of the Russian Orthodox Church," said Metropolitan Filaret, one of its leaders. "We always support the peace initiatives of the Soviet state for they are consistent with our beliefs."

A guarded attitude and, in frequent cases, direct criticism of the militaristic course of the United States and other NATO countries, are increasingly accompanied by a negative attitude on the part of religious circles toward the socioeconomic policy of the rulers of Western countries. Thus, the draft pastoral message of the U.S. Catholic bishops on economic problems (November 1984) directly links poverty in the United States to the arms race urged on by the American administration. In Great Britain, noted members of the Anglican, Roman Catholic and United Reform churches condemned the position of the Conservative government toward the miners' strike.

The "theology of liberation"--a system of views which justifies the participation of believers and the clergy in the struggle for the interest of the poor population strata and against Western imperialist forces, the United States above all, and their local accomplices--has become widespread, above all in Latin America. Clergymen who share such views expose the plunder of the population by multinational corporations and American monopoly capital.

The changes which are occurring in religious circles are creating great concern in the ruling circles of capitalist society, who are mobilizing old forces of clerical reaction to stop the rebellious process. Religious conservatives and right-wing clerical and lay circles, who have many levers for influencing the believing masses and the various levels of clergymen at their disposal, are joining the struggle against the dissidents. The Vatican has proclaimed the "theology of liberation" as a threat to dogma.

The enemies of peace fear like fire the unification of all peace-loving forces and are doing everything possible to conceal the closeness of views on problems of preventing a war held by communists and a certain segment of religious circles, who support antiwar and, frequently, anti-imperialist actions. Believers are being thoroughly frightened by statements that their participation alongside the communists in the antiwar movement will inevitably lead to the loss of their own "individuality" and will demand of them conceptual concessions. Naturally, all of this is an obvious lie. The communists have always favored close cooperation with all peace-loving forces on earth, including the religious circles, which could play a considerable role in rescuing mankind from the nuclear threat.

The facts convincingly prove that of late Western reactionary politicians and ideologues have been clearly trying to make broader use of the religious factor in the implementation of the hegemonistic plans of the most aggressive segment of the U.S. monopoly bourgeois, which would like to settle the historical dispute between capitalism and socialism through military means. A further rapprochement and a strengthening of the alliance between the right-wing leadership in capitalist society and clerical reaction are taking place. They are jointly aspiring to turn all other categories of religious forces into an obedient tool of imperialism.

However, this is only one of the trends. The other, opposite, trend is the increasingly strong counteraction on the part of members of religious circles, who are aware of the fatal nature of the militaristic policy pursued by the United States and its allies and the need, for the sake of life on earth, to turn mankind to the path of detente and peaceful coexistence.

#### FOOTNOTES

1. M. Henry, "The Intoxication of Power," Dordrecht, 1979, pp 105-107.
2. K. Marx and F. Engels, "Soch." [Works], vol 21, p 177.

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## EAST-WEST RELATIONS

### COMPENSATION AGREEMENTS: WHO BENEFITS?

Moscow ARGUMENTY I FAKTY in Russian No 37, 10 Sep 85 pp 1-2

[Text] Reader V. Kalikin from Kharkov asks us to tell about the cooperation of our country with capitalist states on a compensation basis. Is this advantageous to us?

Propagandist A. Rushev from Kaliningrad asks the question: If the bourgeois media keep talking about the one-sided advantage of the Soviet Union from compensation agreements, why do the businessmen readily go for such transactions?

The questions of the readers of ARGUMENTY I FAKTY are answered by V. Dolgikh, a staff member of the Scientific-Research Institute for Economics attached to the USSR Gosplan.

As is apparent from the letters, even one of the aspects of the question (advantageous--disadvantageous) calls forth contradictory judgements. Let us examine in greater detail the cooperation on compensation basis which has now become firmly consolidated in the practice of our economic relations with the Western countries. Thanks to this form, already more than 60 projects have been built in the Soviet Union. In their turn, the Western firms have secured for themselves a reliable source of deliveries, were able to sell their production advantageously and to secure employment for thousands of people.

And so, for whom is such cooperation more advantageous--for us or for the capitalist countries?

Contrary to the objective facts, some bourgeois columnists attempt to pass compensation agreements off as almost a "Russian invention", which, they say, appeared to counterbalance "free trade" and is advantageous only to us. One does not have to be a specialist to see the true reason for the attacks: Compensation agreements create the basis for long-term and stable cooperation in the world, deprive political adventurers of the possibility of using embargoes and other restrictions on the supply of needed products to the Soviet Union and other socialist countries, and do not permit the conversion of trade into a means of political pressure.

## Whose Invention?

According to data of the Organization of Economic Cooperation and Development (OECD), the share of East-West transactions combining to one degree or another mutual export and import operations comes today to more than 30 percent. And the developed capitalist countries, too, by no means avoid this form of cooperation among themselves. The Japanese banks, for example, granted Australia a credit, which will be paid for with Australian copper. The Swedes concluded a contract with the American Firm General Electric, obligating themselves to deliver engines to the United States, but on the condition of the purchase of other Swedish articles. The same American firm, by the way, lost an order for the delivery of medical equipment in Austria after the West German firm of Siemens undertook to organize the sale of Austrian electronics.

In other words, the willingness to assume an obligation for counter-purchases is by no means "an invention of the Russians", as some bourgeois commentators try to present the matter, but a means of competitive struggle which is widespread in the economic relations in the capitalist world.

What, concretely, do the compensation agreements concluded by the Soviet Union represent? In them, as a rule, it is agreed that large industrial complexes and projects will be constructed on the territory of our country or that the development and exploitation of new deposits of useful minerals will be conducted, such as oil, gas and coal. To this end, the USSR receives in the banks of capitalist countries long-term special-purpose credits, which must be compensated by deliveries of the production of these projects. For example, for the development of the timber resources of the Far East and the coal deposits of Southern Yakutia, our country received a large credit from Japan in the 1970's, having assumed the obligation to compensate it with raw material and fuel.

The material and physical filling of credits are the latest equipment, machines, means of transportation, licenses, etc. Moreover, the production capacities are created entirely from integrated, specialized equipment.

In some cases, a part of the equipment is supplied by foreign firms, not on credit, but on the usual commercial conditions, i. e., for cash.

In "pure" compensation cooperation, the repayment (compensation) of the credit and interest on it is realized through production deliveries that are produced in the enterprises built with the aid of these credits, or analogous products. In particular, the agreement concerning the installation of the Southern Yakutia Coal Complex envisaged that until its introduction the coal deliveries to Japan will be carried out by the Kuznetsk Basin. At the present time, they are already being carried out from the Neryungrinsk Deposit.

The time period for the beginning of deliveries, as a rule, comes to about 5 years, and the periods for the repayment of credits--from 5 to 15 and more years.

## What Our Partners Receive

Let us return to the fundamental question: For whom is this advantageous? In compensation cooperation, as is well known, the chief partners of the USSR are firms of the developed capitalist countries--France, the FRG, the United States, Japan, Finland and others. The list is headed by France, the number of agreements with which has already reached 20. It accounts for almost 1/5 of all analogous transactions.

Contracts for the delivery of equipment for the Ust'-Ilimskiy Integrated Pulp-and-Paper Mill are being realized with the largest firms of this country. The French have supplied equipment for the production of polystyrene and styrene with subsequent export. And our gas industry has acquired equipment from them --pipes and materials for the construction of the transcontinental gas pipeline. With the firm of Pechinet-Yugin-Kuehlman, an agreement was concluded at one time concerning the construction of a large industrial complex for the production of alumina, aluminum, and semimanufactures made from it. The special feature of this project was the fact that the cheap electric power of the Siberian rivers is used for the production of aluminum. And with the firm of Kreso Luar, a very large transaction was signed for the delivery of equipment for the production of electrical-sheet steel of the metallurgical combine in Lipetsk.

The realization of these agreements makes it possible for France to obtain annually from the USSR approximately 85,000 tons of commercial cellulose, 25,000-30,000 tons of polystyrene, 45,000 tons of aluminum, and 4 billion cubic meters of natural gas.

Large-scale projects are also being realized with firms of the FRG. In particular, a chemical complex, whose structure includes plants for the production of staple fiber and filaments, was installed on mutually advantageous conditions in the USSR. The cost of the equipment and licenses is being paid for with deliveries of Soviet chemical products. Among the largest compensation transactions is an agreement on the delivery of integrated metallurgical equipment for the Oskol'skiy Electrometallurgical Combine. The contract for the delivery of the first phase alone exceeded 400 million rubles.

The trade and industrial cooperation of our country with firms of the United States and Japan is developing successfully. Equipment for ammonia plants, for example, has been supplied by American firms, and payment for it is being realized through deliveries of ammonia. A number of compensation agreements are being realized with Finland. The Kostomukshskiy Concentration Combine in the Karelian ASSR deserves special attention. Here, as was reported in the press, the construction of a modern metallurgical enterprise and a new town was completed not long ago. With the introduction of this combine, part of its production is supplied to the metallurgical plant in the Finnish city of Raahé.

A distinctive feature of the agreements being concluded by the USSR with Finland is the fact that, along with special purpose deliveries of equipment and materials for the installation of industrial projects, Finnish construction firms and technical specialists have begun to be involved. For example, in

Kostomuksha, approximately 2,000 workers from Finland were employed. And if one takes into account the fact that these are mainly inhabitants of the northeastern provinces, where the level of unemployment is especially high, and that every Finnish worker in Kostomuksha secures work in his country (according to the calculations of specialists) for two fellow-countrymen, one can say with confidence that such good-neighbor cooperation helps the Finnish side to solve the problem of employment.

#### What We Receive

Compensation agreements are also advantageous to our state. You see, the majority of them provide for the construction of new enterprises in such important sectors of the national economy as the chemical, gas, oil and metallurgical industries. What does this mean? In order to get production output going, large financial, material and labor expenditures are required. For example, in order to produce output, let us say, in the coal industry for 1,000 rubles, it is necessary to have fixed production capital valued at 1,020 rubles, in the oil extracting industry--1,652 rubles, and in the ore base of the ferrous metallurgy industry--1,641 rubles.

But with the aid of imported integrated equipment, we have the possibility, within a shorter plan period and with smaller expenditures, to increase the production capacities and thereby to economize significant capital investments of our own, which can be used for the development of other industries, for the expansion of the production of goods in mass demand, and for the increase of the level of prosperity of Soviet people.

The magnitude of the compensation usually does not exceed 20-30 percent of the total volume of production in a given enterprise. That is, the basic part of the production goes for the needs of the national economy and permits the fuller satisfaction of our own requirements.

Compensation cooperation makes it possible to shorten the terms for the development of the energy and raw material base in Siberia and in the Far East, which is especially important in connection with the introduction of the Baykal-Amur Trunkline and the national economic plans for the development of the zone adjacent to it. Such transactions are a reliable channel for the attraction of advanced foreign scientific-technical experience and modern technology. And this, in the end, is conducive to the increase of labor productivity, the improvement of production quality, and the growth of the efficiency of social production.

In a word, compensation agreements are mutually advantageous. In the opinion of specialists, they are becoming the basis of close economic cooperation of states and serve mutual understanding and the strengthening of trust.

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SOCIALIST COMMUNITY AND CEMA AFFAIRS

IBEC: 1984 ACTIVITIES

Moscow FOREIGN TRADE in English No 8, Aug 85 pp 21-23

[Article by V.G. Djindjikhadze, Chairman of the IBEC Board: "IBEC Serving Socialist Economic Integration"]

[Text]

The International Bank for Economic Cooperation (IBEC), operating for more than 20 years, was founded to promote economic cooperation and the development of the socialist community countries' economies, expand their trade and economic relations. Within these years the IBEC has become the foremost settlement-crediting centre in the CMEA countries' multilateral transferable ruble settlement system.

Last April Moscow was the venue of the 61st regular meeting of the Bank Council, summing up the IBEC's activity in 1984. The total volume of the Bank's settlement, credit, deposit and other operations in transferable rubles and convertible currencies amounted to 391,000 million transferable rubles. Operations in transferable rubles accounted for 73.6 per cent of the business conducted.

The *Foreign Trade* asked V.G. Djindjikhadze, Chairman of the IBEC Board, if he would say a few words about the main results of the Bank's activity in 1984.

In 1984 the International Bank for Economic Cooperation, proceeding from the onward growth of its members' economies and foreign economic relations, continued to successfully effect its crediting-settlement activity in transferable rubles and also operations in convertible currencies thus promoting stronger and deeper mutual economic cooperation.

*Operations of the IBEC in transferable rubles* kept on growing in 1984, their volume increased, as against 1983, by 6.7 per cent to account for 287,700 million transferable rubles. The volume of mutual settlements of the authorized banks carried out through the IBEC amounted to 195,700 million transferable rubles, showing a 10.7 per cent

growth as against the previous year. The share of the Bank member-countries' trade-related settlements in transferable rubles was equal to 93.5 per cent.

The Bank fully met its members' economically justified needs for credits to cover a temporary gap between receipts and payments in transferable rubles. The volume of credits extended to the IBEC member-countries' banks reached 13,600 million transferable rubles, an 8.9 per cent increase over 1983. Settlement credits for financing short-term disparity between payments and collections arising in the process of trade-related settlements among the Bank members represented, as before, the bulk of the

overall amount of granted credits; the share of such credits in the total volume of transferable ruble credits was 75.3 per cent. The settlement turnover time averaged 22 days.

Credit investments of the Bank at the end of the year grew 7.5 per cent to reach 4,400 million transferable rubles as against 4,100 million transferable rubles in 1983. An increase was shown in the share of credits granted on preferential interest rates to banks in Vietnam, Cuba and Mongolia.

In 1984 interest rates on settlement and time credits and borrowed funds in transferable rubles remained unchanged at the levels set in 1970, amounting from 2 per cent to 5 per cent and from 1.5 per cent to 4 per cent respectively.

*Operations of the IBEC in convertible currencies* were carried out mainly with the banks of member-countries, with the interest and confidence of the capitalist countries' banks in the IBEC growing—a direct result of the course pursued by the IBEC aimed at deepening business relations with traditional partners, establishing and expanding contacts with other banks interested in cooperation. This caused a growth in the volume of the Bank's operations in convertible currencies.

Under the conditions of sharp fluctuations of exchange and interest rates on the international monetary markets the IBEC activity in convertible currency operations, in accordance with the decisions of the Bank Council, was aimed, as before, at ensuring the liquidity and profitability of these operations.

The balance of borrowed funds at the end of the year was equivalent to 1,600 million transferable rubles. At the same time a considerable increase was registered in the volume of funds placed with big banks in the capitalist countries.

Credits granted by the Bank in convertible currencies promote trade and economic cooperation between socialist and capitalist countries; in 1984 the sum of the credits extended did not change.

The Bank's own funds in convertible currencies were used to develop cooperation with partner-banks and simultaneously to ensure the liquidity of crediting and deposit operations.

*The profit of the Bank* in 1984 amounted to 34.5 million transferable rubles, showing a 4.1 per cent increase over 1983.

In accordance with the decision of the IBEC Council on the results of the Bank's activity in 1984, some 19.1 million transferable rubles from the Bank's profit were distributed among the member-countries and 13.2 million transferable rubles were transferred to the reserve capital. Thus the Bank's capital funds increased from 381.3 million transferable rubles as of the end of 1984 to 394.5 million transferable rubles, including the reserve capital from 191.0 million transferable



rubles to 204.2 million transferable rubles.

In 1984 the IBEC carried out its activities in transferable rubles and convertible currencies in close cooperation with national and authorized banks of the member-countries, other banks of the socialist countries and also with the International Investment Bank. Business relations with Western countries banks were progressing on the principle of reciprocity.

The CMEA member-countries Summit Economic Conference, held June 1984, was a most important event in the life of the fraternal countries. From the Conference's final document it follows that the participants fully confirmed the correctness of the course aimed at furthering socialist economic integration, an important factor for each fraternal country's all-round progress. A new step was made that will better coordinate the CMEA countries' economic policies. The Conference defined long-term directions of the CMEA nations' cooperation for accomplishing key economic tasks. Special importance is attached to the accelerated transfer of the economy to intensive path of development and increasing its efficiency, to ensure a further growth of social production as a basis for strengthening the material and technical base of socialist society and for heightening the level of people's well-being.

The IBEC took an active part in elaborating and considering matters together with CMEA bodies connected with developing socialist economic integration and implementing the decisions of the Economic Conference

and the 38th (Extraordinary) CMEA Session in the part concerning the Bank's activity. Special stress was laid on increasing the efficiency of the IBEC crediting-settlement mechanism in transferable rubles. In July 1984 the IBEC held a meeting of experts of the member-countries' banks with the participation of representatives of foreign trade bodies of the CMEA countries and Secretariat. The meeting coordinated measures aimed at further improving the planning of credits in transferable rubles.

In conclusion V.G. Djindjikhadze pointed out that the Bank's activity is soundly based on the dynamic development of the member-countries' economies, the all-round expansion of trade and economic relations among the fraternal states, and deepening the process of socialist economic integration. Through its crediting-settlement mechanism the Bank will in future actively promote the CMEA countries' mutual economic cooperation as well as strategic tasks set by the CMEA countries' Summit Economic Conference.

# BALANCE SHEET

## International Bank for Economic Cooperation

(in transferable rubles)

ASSETS	As of December 31		LIABILITIES	As of December 31	
	1983	1984		1983	1984
1. Monetary funds:			1. Capital funds of the Bank:		
a) Current accounts and cash on hand	26,778,410	36,654,685	a) Authorized capital		
b) Time deposits	1,241,925,895	1,363,296,912	305,262,000	190,316,160	190,316,160
2. Credits granted	1,268,704,305	1,399,951,597	Paid up capital	179,359,915	190,965,727
3. Property of the Bank	4,505,827,676	4,819,550,350	b) Reserve capital	369,676,075	381,281,887
4. Other assets	737,189	765,161	2. Deposits:		
	37,982,680	47,914,705	a) Current accounts	690,995,833	580,866,162
			b) Time deposits	4,227,249,864	4,746,541,940
				4,918,245,697	5,327,408,102
			3. Credits received	380,221,201	392,916,551
			4. Other liabilities	111,973,196	132,084,326
			5. Net profit	33,135,681	34,490,947
Total	5,813,251,850	6,268,181,813	Total	5,813,251,850	6,268,181,813

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SOCIALIST COMMUNITY AND CEMA AFFAIRS

IIB: 1984 ACTIVITIES

Moscow FOREIGN TRADE in English No 8, Aug 85 p 24

[Article by Vadim Zholobov, Executive Secretary, IIB Board: "IIB's Activity in 1984 (Results of the IIB Council's 38th Meeting)"]

[Text]

The International Investment Bank's activity in 1984, as in previous years, was aimed at enhancing the role of international socialist credit and at expanding the sphere of application of the transferable ruble.

Last year the Bank accepted for crediting new projects: in Bulgaria—the expansion of the Pharmachim research-and-production complex for manufacturing antibiotics; the Republic of Cuba—construction of the Camagüey-III sugar refinery; the German Democratic Republic—expansion of production capacities of the Umformtechnik complex manufacturing equipment for the cold forging and processing of plastics, dies and presses for working metals (the fourth credit). All the projects accepted for crediting are of interest not only for the country where the project is built, but for other CMEA states as well.

The financing of projects in mechanical engineering, chemistry and other industries continued.

The credit, granted by the Bank for modernizing and reconstructing production capacities at the 7th October machine-building complex in the German Democratic Republic, is being systematically applied.

Thanks to the IIB's credits Hungary is reconstructing and adapting its railways to the use of electric power, increasing their carrying capacity and improving the level of technical service of Hungarian railways carrying international traffic.

Within the framework of the Long-term Specific Programme of Cooperation in the Field of Energy, Fuel and Raw Materials the construction of the antioxidant-making plant at the Duslo Sala chemical complex in Czechoslovakia is nearing completion. The plant will

apply a progressive technological process, developed jointly by Soviet and Czechoslovak specialists. A great part of the plant's products, used for manufacturing rubber articles, will be shipped to the Bank's member-countries interested in them.

The Bank's credit relations with Bulgaria's research, production and marketing association, Balkancar, a large manufacturer of hoisting-and-conveying machinery, are progressing successfully. New credits were granted to the association's three enterprises: the V. Kolarov diesel motor factory, the Record motor-car complex and the M. Shatorov storage-battery plant.

It was also decided to grant a new credit to the Ikarus bus-manufacturing factory of Hungary, the Bank's traditional borrower.

The projects credited by the International Investment Bank are on the whole characterized by their high economic efficiency and levels of automation and mechanization, and relatively short credit settlement periods.

Since its formation (1971) the International Investment Bank has accepted for crediting a total of 85 projects in the CMEA member-countries, Yugoslavia and the International Economic Organization Interatominstrument estimated at more than 10,000 million transferable rubles. Sixty-two projects have been put into operation. The total sum of the credits granted by the Bank exceeds 3,600 million transferable rubles. The volume of export shipments from the credited projects is constantly increasing. All in all the CMEA states for the said period received products worth more than 23,000 million transferable rubles, including more than 4,000 million transferable rubles' worth last year. This is undoubtedly conducive to greater mutual trade and more fully meets the economic needs of interested countries.

In its activity the International Investment Bank is paying greater attention to accomplishing tasks set in the decisions of the CMEA member-countries' Summit Economic Conference held in Moscow, June 1984, and the subsequent CMEA meetings. The Bank coordinates with its members' competent bodies those agreed projects whose construction will likely be subjects of IIB credits during the next five-year plan period (1986-1990).

Delegations from the Bank's member-countries: Bulgaria, the Republic of Cuba, Czechoslovakia, the GDR, Hungary, Mongolia, Poland, Romania, the USSR and Vietnam participated in the 38th meeting of the IIB Council.

Representatives from the CMEA Secretariat and the International Bank for Economic Cooperation also attended the meeting.

A delegation from Yugoslavia was also present. It participated in the Council meeting under an Agreement between the IIB and the Government of the Socialist Federal Republic of Yugoslavia.

The meeting was also attended by representatives of the Da Afghanistan Bank, Bank of Yemen, State Bank of Laos, Agricultural and Industrial Development Bank of Ethiopia, Bank of Finland, Inter-American Development Bank, African Development Bank and Nordic Investment Bank as observers.

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## SOCIALIST COMMUNITY AND CMEA AFFAIRS

### CMEA'S STANDARD FOREIGN TRADE CLASSIFICATION EXPLAINED

Moscow FOREIGN TRADE in English No 8, Aug 85 pp 33-35

[Article by A.I. Band, Section Chief of the USSR Foreign Trade Ministry's Main Economic and Planning Department: "A New Edition of the Standard Foreign Trade Classification"]

[Text]

The SFTC is a CMEA methodological document keeping a uniform record of the CMEA countries' export and import operations. The Classification is used, specifically, as a base for compiling and submitting data on the respective countries' foreign trade to the CMEA Secretariat and in drawing up commodity lists for economic agreements between CMEA nations.

The SFTC is designed for international use. It is a help when studying the international trade of the socialist community countries. At the same time all CMEA countries use it when investigating and analysing their own national foreign trade, thus the publication is very advantageous to them. The Classification is drawn up with due account of each member-country's requirements, the specific features of the CMEA countries' foreign trade practices and the necessity to analyze them—a very important feature. No need arises therefore to undertake spe-

cific studies in order to compare export and import data before they can be submitted to the CMEA Secretariat. No such need arises either when two or more countries wish to compare notes on the fulfilment of their mutual commitments on deliveries.

*What is the underlying organizational principle of the SFTC?*

Thanks to the SFTC comparable statistical data can be obtained on exports and imports. It helps the scientific organization of the collection and processing of statistical data at different levels of economic management thus the data on exports and imports obtained are complete and highly reliable; they permit generalization and specific conclusions enabling decisions to be finalized on current and prospective problems of economic management.

The SFTC has made it possible to streamline the work of people dealing with the primary registration of foreign trade operations and help them correctly fill in relevant forms and documents. It is common knowledge that systematization of export and import data by economic categories rests on correctly drawn-up material.

The organizational principle of the SFTC lies in the lay-out of the classification. Data on foreign trade operations recorded in the files is sorted and sectionized as this facilitates analysis of exports and imports.

*Why was it necessary to develop the SFTC?*

When the Council for Mutual Economic Assistance was founded a uniform system was needed for a comparison to be made of data on member-countries' mutual trade. This is because every country had its own classification for foreign trade studies and the comparisons of data taken from these different classifications were very complicated, laborious and time-consuming, and ineffective. Thus the decision was made to develop a standard classification to meet the needs of both individual member-countries and the CMEA as a whole. A special commission was set up to examine the proposals and currently running nomenclatures of all the CMEA countries. It decided to accept the SFTC of the USSR as the basic document.

On this point I would like to say that the adoption of the SFTC in the USSR was preceded by very extensive and painstaking research. The aim was to improve the quality of foreign trade planning, accounting and reporting. The main objective of the many years' efforts to develop and streamline the classifications was to achieve uniformity and consequently a comparison of standard foreign trade planning and accounting classifications, as well as of operational, book-keeping and statistical data.

The SFTC is an enumeration of commodity items encompassing all basic wares involved in foreign trade. They are all classified into economically homogeneous sections, groups and subgroups on the basis of similarity and according to the most essential indicators. The major criteria are the purpose and origin of the commodities.

Of great importance is the arrangement of commodity groups and individual goods in the SFTC and their place in its lay-out. In the SFTC goods are combined into sections and groups ranging from tools and implements of production to consumer goods.

The classification (into sections, groups and sub-groups) makes it easy to assess the economic positions of goods by different indicators. Corresponding re-arrangements of commodity groups and sub-groups are enough to serve the purpose. There is no need to refer to individual items.

Mechanized export-import data processing necessitated a uniform commodity coding system and was a major reason for developing the SFTC. A system simple in structure and optimal in numbers was sought that could be extensively used, specifically, as a trade code when operating mechanized accounting data processing machines.

The adopted coding system permits, if need be, extension of the classification without violating the order of numbers as free numbers are reserved within sub-groups and commodity items for such purposes.

The 2nd edition of the SFTC as amended by the CMEA Standing Commission on Statistics was approved for official use by the CMEA member-countries in 1962.

The SFTC is published by the CMEA Secretariat. In between new editions a bulletin of additions and changes to the SFTC is periodically issued and it incorporates member-countries' proposals accepted by the CMEA Standing Commission on Statistics.

The above Standard Classification is used by the USSR Central Statistical Board, the USSR State Planning Committee, the Ministry of Foreign Trade and the State Committee for Foreign Economic Relations to classify and code foreign trade planning, accounting and statistical data and when processing export-import information.

Normative and methodical documentation related to foreign trade is

based on the SFTC. Its use is prescribed, specifically, by the following administrative acts: Methodical Directives of the USSR State Planning Committee for drafting state plans of economic and social development in the section pertaining to foreign economic relations; Methodic Determination of Foreign Trade's Economic Effectiveness (USSR State Planning Committee); Methodic Determination of Foreign Trade's Budgetary Efficiency (USSR Central Statistical Board); Basic Methodical Principles of the CMEA Countries' Foreign Trade Statistics; Directives of the USSR Central Statistical Board on Foreign Trade Statistical Reporting; Decree of the State Committee for Labour and the Central Trade Unions Council on assignments to the premium fund for export manufacture; and the Decree of the USSR Council of Ministers on customs tariffs.

*Why is the new edition of the SFTC necessary? What modifications have been made?*

The new edition of the SFTC reflects more fully the requirements of every CMEA member-country and the socialist community as a whole in foreign trade studies. It includes many new products entering the market and being exchanged between the member-countries since the previous editions, specifies the names of individual goods and their code numbers and has a better classification pattern.



Already by 1979 the supplementary bulletins to the 3rd edition of the SFTC had added the names of 1,441 new products, deleted 57 obsolete ones and up-dated the foreign trade positions of 165 items. Taking these facts, as well as the changed pattern of the foreign trade turnover into account the 36th meeting of the CMEA Standing Commission on Statistics (October 1980) decided to prepare and publish a new edition of the SFTC and include in it all new products coming into circulation while it was being drafted.

The classifications pattern of the 4th edition does not differ from the previous one in its basic structure or principles of content. Some new sub-groups and a series of commodity headings and sub-headings have been added and re-arrangements made of certain commodity groups, sub-groups, headings and sub-headings.

For example, the new edition gives a more detailed classification of computer equipment. The previous edition listed it as complexes of individual items in sub-group 159, Equipment for Other Industries, N.E.S. The 4th edition has a special sub-group, 177, which lists all modern computer facilities. The sub-group is based, inter alia, on the names and classification of this technological equipment in the "General Classifier of the CMEA Countries' Industrial and Agricultural Products" (CMEA GCP), but the SFTC gives a more detailed description of items specifying all names in this group of products being currently exchanged between member-countries.

The classification of sub-group 111, Electro-Technical Equipment, has been modified in keeping with the electric motor classification in use by the Interelectro organization, CMEA's international organization for economic, scientific and technical cooperation in the electrical engineering industry.

Items with a five-digit code ending in "97" have been taken from all sub-groups of completing engineering articles (assemblies, parts, etc.) and singled out in section I, Machinery and Transport Equipment. It is planned to use these items to take stock of goods coming within the framework of international specialization and cooperation in production.

Names of products in and the classification of group 51, Textile Raw Materials and Semi-manufactures, have been updated and simplified.

A modified classification has been given to sub-groups 960, Narcotic Substances, 962, Other Medicaments and 967, Vitamins to separate medicines and vitamins in substance form (semi-manufactures) and in the "dose" form. This new classification of medicines follows as closely as possible other international and CMEA standard classifications.

Popular radio apparatus now has its own sub-group (985) and contains more details.

In some instances the new edition has adopted different units of measurement to the 3rd edition, particularly with regard to units leaving the inter-

national system of units and which will be no longer in use (for example, "curie", "horse power", etc.).

However, for the sake of convenience, the 4th edition retains the old terms putting them in brackets after their new internationally-accepted replacements.

The total number of commodity headings and sub-headings in the new edition has increased over the previous one except for group 52, Furs and Raw Furskins, in which redundant details in commodity headings and sub-headings have been dropped.

The 4th edition encompasses all goods in international exchange between the socialist countries as of January 1, 1983. But as the CMEA countries' foreign trade keeps continually expanding the Standing Committee on Statistics decided to prepare and publish in 1985 a supplementary bulletin to the fourth edition of the SFTC based on member-countries' proposals and the latest list of new goods in circulation among them since January 1, 1983. Such bulletins will be published when the need arises.

*There is no doubt that the efforts to improve the SFTC continue. What are they and what will be the next steps?*

The delegations of member-countries attending the 41st meeting of the CMEA Standing Committee on Statistics were unanimous that the efforts to streamline and improve the SFTC cannot stop with the publication of the fourth SFTC edition. Statistical and foreign trade organizations have to perpetually indulge in this activity.

In my opinion the following tasks need fulfilment: improved classification and coding of complete equipment; a more clear-cut criterion for industrial and consumer goods.

Also, the next step is to relate the SFTC more closely to the CMEA GCP and to actualize a "conversion key" between the UN International Standard Trade Classification (ISTC) and the CMEA SFTC as this will greatly facilitate comparative statistical studies based on the above classification systems. The "conversion key" between the two systems will automatically improve as the ISTC and the SFTC are revised and re-edited.

The 4th SFTC edition solves one more important problem. For the first time this publication carries explanatory notes on the trading positions of particular items published in the CMEA statistical handbook, *Member-Countries' Foreign Trade* and this avoids misinterpretation when using the SFTC. These notes are designed to remove misunderstandings of any member-country's trading positions, improve the quality of the "conversion keys" used by individual countries when transferring national classification codes to those of the SFTC and, in the final run, raise the quality of foreign trade statistical studies and their comparisons.

Work on improving the explanatory notes should be continued. Present experience indicates that a general characterization of a product is not enough, it is necessary to clearly define the specifics of a given product.

To adduce explanations to commodity groups (two-digit) and sub-groups (three-digit) of the SFTC is a complete waste of time and effort as their contents are deciphered in the headings and sub-headings.

Lastly, the "conversion key" has been published to facilitate transition from the 3rd to the new, 4th edition, also an "alphabetical index" for the 4th edition is now ready for printing.



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SOCIALIST COMMUNITY AND CEMA AFFAIRS

MORE EFFECTIVE USE OF MATERIAL RESOURCES IN CEMA COUNTRIES

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 6, Jun 85 pp 14-17

[Article by Nikolay Martynov, deputy chairman of the USSR Council of Ministers, chairman of the USSR Gosplan, chairman of the CEMA Committee for Cooperation in the Area of Material and Technical Supply: "Utilizing Material Resources More Effectively"]

[Text] The high-level economic conference of the CEMA countries that was held in Moscow in June 1984 determined that efficient and economical utilization of material resources is among the most important national economic tasks for the fellow countries. In the unanimous opinion of the participants in the conference, consistent implementation of a course toward economizing on resources is a necessary condition for successful resolution of raw-material and fuel and energy problems. More efficient utilization of material resources also makes it possible to release considerable funds which are being used today for their extraction and production.

In the modern scale and growth rates of the national economy, it is difficult to overestimate the significance of these issues. Suffice it to say that in the socialist community as a whole a 1 percent savings on material expenditures is estimated at more than 11 billion rubles. A reduction of the expenditure of energy resources by only 1 percent makes it possible for the fellow countries to save about 25 million tons of convention fuel. Here it is important to note that expenditures associated with providing for the savings are several times less than the expenditures for the extraction and output of an equivalent quantity of energy and material resources.

At the present time within the framework of the CEMA a considerable amount of experience has been accumulated in effective utilization of raw materials, processed materials and fuel. In many countries, in keeping with the specially developed national programs, and also on the basis of economic and scientific-technical cooperation, a broad complex of measures is being implemented in order to step up the savings on energy and materials. And this is producing successful results.

Thus in Bulgaria the relative reduction of material expenditures per unit of gross output in 1981-1984 amounted to an average of 2.6 percent. There was also a considerable reduction of expenditures of fuel and energy.

In Hungary during 1981-1985, as a result of reducing the material-intensiveness of production, there is to be an increase in the national income of approximately 25-30 percent.

In the GDR the program for 1981-1985 envisions savings on the most important kinds of raw material, fuel and processed materials on an average of 6.1 percent per year, and by 1985 an increase in the proportion of secondary resources in the overall volume of utilized basic materials to 12 percent.

In Cuba in 1984 the consumption of materials in the national economy was 2.4 percent less than the planned level while the global social product increased by 7.4 percent.

In Mongolia during the past 4 years 200 million tugriks' worth of material resources have been saved.

In Poland in 1984 the material-intensiveness of the products decreased by 2.1 percent as compared to 1983. A long-range program was adopted for economizing on material resources which envisions reducing fuel consumption by 70 million tons in conventional units and steel consumption--by 5 million tons by the year 2000.

In Romania material expenditures on the output of commercial products in 1984 were 10 percent lower than in 1980. The proportional expenditure of raw and processed materials has decreased annually in recent years by 2.5-4 percent, and fuel and energy--by 7 percent. During this period they provided for an 18.5 percent reduction of energy expenditures per unit of national income. By 1990 expenditures are to have been reduced by 20 percent as compared to 1985. The degree of utilization of the main raw material resources will be increased by 25-27 percent.

In the USSR during the 4 years of the current 5-year plan in the national economy we have saved 79 million tons of boiler fuel, 271 million gigacalories of thermal energy, 94 billion kilowatt hours of electric energy, and 35 million tons of light petroleum products. We have saved 6.6 million tons of rolled ferrous metals, 7 million tons of cement, about 12 million cubic meters of timber materials, and we have reprocessed about 700 million tons of various kinds of secondary resources. On the whole during 1981-1985 it is expected that the savings on material resources will reach 15 billion rubles.

In Czechoslovakia during 1981-1984 there was a reduction of the average annual proportional consumption of rolled ferrous metals of 5.4 percent, and primary fuel and energy resources--of 2.4 percent.

The experience in economy and efficient utilization of material resources accumulated in the fellow countries shows the great effectiveness of this work, the immense reserves and the significant possibilities of increasing these as a result of combining the efforts of the CEMA countries. Therefore

the cooperation of our countries in resource saving is one of the priority areas of the activity of the CEMA in the modern stage.

Recently, in keeping with the Comprehensive Program for Socialist Economic Integration, the long-range target program for cooperation in the area of energy, fuel and raw material, and also a number of other joint decisions have developed and implemented important measures for efficient and economical utilization of material resources. Specialists of the countries on a bi- and multilateral basis are conducting scientific and technical research which is of mutual interest. Work has been done for deepening specialization and cooperation in the production of resource-saving equipment and the creation of resource-saving technology. Active exchange of experience has been arranged in various areas of industry.

A new step in solving this most important national economic problem on a collective basis is the Program for Cooperation of the CEMA Countries for Economical and Efficient Utilization of Material Resources for the Period Up to the Year 2000, which was developed on the basis of instructions of the high-level economic conference, and also the 37th and 38th (extraordinary) sittings of the CEMA session.

The preparation of the Program was preceded by a large amount of work which was done by agencies and countries that are members of the Council. This provided for comprehensiveness of the earmarked measures, made it possible to coordinate them with the assignments of national programs, and contributed to the creation of conditions for more purposive large-scale interaction among the fellow countries.

The measures envisioned by the Program are economic, scientific-technical and organizational in nature. The parties participating in them, the time periods for carrying them out and also the final results have been determined.

The Program earmarks the development and organization of the output of new machines, equipment and instruments and also the introduction of new technological processes and progressive materials and designs. Their large-scale application in the national economy will make it possible to considerably increase the effectiveness of the utilization of raw material and fuel-energy resources, including wastes from production and consumption.

Specialized and cooperative production of economical energy equipment is to be organized for purposes of efficient expenditure of resources. Equipping existing TES's with them will reduce expenditures on the output of thermal and electric energy by 30-40 percent. A considerable quantity of heat and gas will be saved because of the application in industrial enterprises and municipal services the new and better instruments and automated systems for regulation and accounting for the expenditure of energy bearers which are intended for development and manufacture.

Consideration is also being given to the introduction of more economical technologies in energy-intensive productions, the reduction of losses of energy bearers in the process of their extraction and transportation, and more extensive introduction of secondary energy resources into circulation.

Measures in the Program for assimilating progressive technologies of production and processing ferrous and nonferrous metallurgies and increasing the output of the most economical kinds of them are directed toward better utilization of design materials. Thus expansion of the scale of application of methods of combined rolling, multipositional and clean stamping and powder metallurgy items will make it possible to considerably reduce the proportional expenditure of metal in machine building and metal processing. The assimilation of industrial production of hollow axles for cargo cars will make it possible to save more than 300 kilograms of metal for the manufacture of each car.

Measures for the creation and introduction of new technological processes for producing the most important kinds of chemicals, pulp and paper products and construction materials, and also processing agricultural raw material are directed toward considerable savings and thus fuller satisfaction of the demands of the CEMA countries for natural raw material.

A large group of problems is to be solved in the area of waste-free production, the replacement of raw and processed materials which are in short supply with those that are less expensive and more available, and the reduction of losses of these during transportation and utilization. Thus more extensive application of fillers when manufacturing items made of polymers will make it possible to reduce their expenditure by almost 30 percent in machine building, construction and other branches. Losses of mineral fertilizers during their shipment and unloading are to be reduced by 5-7 percent as a result of the application of more progressive means of transportation. It is intended to obtain an annual savings of more than 2 million cubic meters of timber raw material as a result of large-scale introduction of technology that makes it possible to reduce the mass of the paper and cardboard that are produced.

An important place in the Program is allotted to the development and implementation of measures for improving the utilization of wastes from production and consumption. As experience shows, this area is the most effective in solving raw material and fuel-energy problems. For example, outlays when smelting steel from scrap ferrous metals are one-20th the amount required when using ores. When aluminum is produced from secondary raw material the capital investments decreased by 40 percent and the expenditure of electric energy decreased to less than one-20th of the amount required when this metal is obtained from natural raw material. Also of great significance is the fact that the use of secondary resources considerably reduces the pollution of the environment. For example, the production of paper or cardboard from scrap paper cuts the harmful discharges into the atmosphere almost in half.

Countries of the socialist community have immense potential capabilities of effective utilization of industrial and household wastes. The planned system of management and the socialist method of production create favorable conditions for solving the entire complex of problems related to bringing secondary resources into economic circulation. The Program for Cooperation in Economy and Efficient Utilization of Material Resources Up to the Year 2000



envisions considerably expanding the interaction of the fellow countries in solving this important economic and ecological problem. Thus as a result of implementing measures for more extensive application of secondary energy resources in metallurgy, the chemical industry and agriculture, transportation and municipal services, it is intended to save more than 40 million additional tons of conventional fuel by 1990.

Important measures have been earmarked for improving the collection, transportation and processing of scrap and waste nonferrous metals, expanding the processing of containers made of tin plate. Calculations confirm the high effectiveness of the source of additional resources. Suffice it to say that from one ton of red sludge it is possible to obtain 300 kilograms of iron, 150 kilograms of clay and 500 kilograms of construction materials.

The measures envisioned by the Program for expansion of the use of ash formed at TES's are directed toward essentially improving the satisfaction of the construction needs in the CEMA countries. Thus each ton of ash used only for the construction and maintenance of roads will produce the possibility of releasing about 500 kilograms of cement that is now used for these purposes.

The Program has also earmarked measures for more extensively drawing into economic circulation worn-out tires, viscous fibers, paper and cardboard wastes, broken glass, low-grade cotton fiber, and wastes from the spinning, leather footwear and also a number of other branches of industrial production.

Along with improvement of technology and the output of resource-saving equipment, the Program earmarks the preparation and implementation of measures of a normative and organizational nature which, as a rule, do not require large expenditures. In particular, on the basis of a comparative analysis of the energy- and material-intensiveness of production of products of a single type, it is intended to provide for the introduction of more progressive norms for the expenditure of raw materials and energy resources. Measures should also be developed for raising the level of planning and control over effective utilization of material resources, further developing the system of incentives for savings, taking into account the specific feature of various branches of the national economy, and increasing the effectiveness of the exchange of advanced experience in the application of resource-saving technologies and equipment.

An important role in the implementation of the Program is allotted to the CEMA Committee for Cooperation in the area of material and technical supply. It is responsible for control over the course of the implementation of the earmarked measures and also the implementation of measures necessary for solving the interbranch problems that arise.

The success of the Program depends to no small degree on prompt preparation and coordination of plans for conducting the work, coordination and agreements (contracts), and also a clear determination in them of the mutual responsibilities of the parties according to the agreements that have been reached (including for deliveries). There is no doubt that the completeness of the measures for implementing the Program envisioned in the national



economic plans of the participating countries will also play an important role.

Today providing for efficient and economical utilization of material resources is one of the most crucial tasks for each CEMA country and the socialist community as a whole. Large-scale cooperation in this area will exert an essential influence on accelerating the rates of economic and social development and will continue to increasing the effectiveness of the national economy of the fellow countries. Therefore consistent implementation of the jointly earmarked measures in the agreements that have been reached constitute a matter of great importance.

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SOCIALIST COMMUNITY AND CEMA AFFAIRS

CEMA COUNTRIES' 1984 ECONOMIC ACHIEVEMENTS

Bulgaria

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 6, Jun 85 pp 18-20

[Article by Veselin Nikiforov, chairman of the Committee for Social Information under the Bulgarian Council of Ministers: "On the Path of Intensification"]

[Text] In 1984--the second to the last year of the 8th Five-Year Plan--workers of Bulgaria continued their self-sacrificing labor, implementing the decisions of the 12th Congress of the Bulgarian Communist Party. The efforts of the party, the state and people were directed toward further intensification of the economy and its increased effectiveness in order to steadily raise the standard of living of the people.

The new initiatives of the general secretary of the Central Committee of the Bulgarian Community Party, Chairman of the State Council of the People's Republic of Bulgaria Todor Zhivkov as well as party and state agencies are contributing to the realization of the decisions of the 12th Congress and the plans for the country's socioeconomic development in 1984. The party and the people are exerting all efforts in order to achieve even greater results in the fulfillment of planned assignments.

Last year was not easy. Thus international tension increased as a result of the confrontation created by aggressive imperialist circles.

It was more difficult to carry out the tasks that were set because of the unfavorable weather conditions and the limited energy, raw material and processed materials resources.

In spite of all this the Bulgarian national economy developed at stable rates. Because of the high political and labor enthusiasm and the development of socialist competition, the workers of the country successfully fulfilled the plan for its socioeconomic development in 1984. The national income increased by 4.6 percent (preliminary figures).

As a result of the extensive introduction of the achievements of scientific and technical progress, the changeover of the economy to the intensive path, and its increased effectiveness, the productivity of public labor played a large role as a factor in increasing output.

The profit obtained by nonagricultural enterprises and organizations was 7.5 percent greater than in 1983, and the productivity of public labor--5.0 percent greater. Material expenditures per 100 levas' worth of output decreased by 0.6 percent as compared to 1983.

The entire increase in national income in 1984 was achieved as a result of increased productivity of public labor. The gross industrial output was 4.5 percent greater than in 1983, and the agricultural output--6.8 percent greater.

Cooperation with the CEMA countries is especially important for the People's Republic of Bulgaria. The country's expanding participation in socialist economic integration and international socialist division of labor is an important factor in the all-round intensification of the national economy and its growth. In 1984 foreign trade turnover reached 25.8 billion leva, increasing by 8.3 percent. The CEMA countries account for 76.4 percent of this, particularly the USSR--57.5 percent. No small role is played by Bulgaria's foreign economic relations with the developing countries. Bulgaria is also interested in economic ties with developed capitalist states on the basis of equal rights and mutual advantage. The positive tendencies in trade with them were retained and established during 1984.

Last year more than 6.1 million foreign tourists visited Bulgaria.

One of the primary tasks of the economic policy is the introduction of the latest achievements of scientific and technical progress and advanced foreign and domestic experience. In this connection the country is devoting special attention to accelerated development of science and technology and maximum utilization of the results that are achieved, and it is also expanding scientific and technical cooperation with the USSR and other fraternal countries. As a result of the efforts that have been made, more than 8,000 scientific and technical developments have been assimilated, with an overall economic effect of more than 1 billion leva. The plan for their introduction was overfulfilled by more than 5 percent. In addition to this more than 4,700 items and technologies have been created or improved. Production has assimilated almost a thousand plans for automated systems. Comprehensive automation and mechanization of production are priority areas in following the course toward all-around intensification. In 1984 164 new sections, shops and productions were mechanized and automated, and the total number of these in the country reached 1,643. They put into operation 577 mechanized and automated flow lines, and at the end of 1984 there was a total of 5,239 of these.

Our planned assignments were overfulfilled in the leading branch of the Bulgarian economy--industry. It produced 124 million leva's worth of commercial output in excess of the plan. As compared to 1983 it increased by 1.8 billion leva and exceeded 39.3 billion leva.

Because of the progressive changes in the structure of industry, the branches that bring technical progress continued to develop at more rapid rates. Thus in 1984 Bulgaria produced 44.592 billion kilowatt-hours of electric energy (4.6 percent more than in 1983). The output from the electrical equipment and electronic industry reached 4.221 billion leva, which is 10.9 percent more than in the preceding year. The output of almost all the main industrial items, both for industrial and for consumer purposes, increased (see table).

<u>Kinds of Products</u>	<u>Unit of Measurement</u>	<u>1981</u>	<u>1981 in % of 1983</u>
Electric energy	Millions kwh	44,592	104.6
Rolled ferrous metals	Thousands of tons	3,377	104.4
Electrical equipment and electronics industry	Millions of leva	4,221	110.9
Program-numerical devices for metal-processing machine tools	Units	385	114.2
Lathes, including with program control	"	514	119.5
Electric hoists	Thousands of units	132	100.8
Electric cars	Units	45,929	108.6
Motor cars	"	34,510	117.3
Nitrogen fertilizers (including urea)	Thousands of tons	836	100.6
Phosphate fertilizers	"	209	102.5
Chemical fibers and threads	"	103	101.3
Polypropylene	"	71	116.6
Cement	"	5,717	101.3
Furniture	Millions of leva	452	102.1
Cotton and cotton-like fabrics	Millions of meters	363	99.3
Woolen and woolen-like fabrics	"	40	102.6
Outer knitwear	Millions of units	56	102.2
Footwear	Millions of pairs	21.3	110.4
Meat	Thousands of tons	519	103.0
Meat products	"	112	106.0
Caucasian cheese	"	106	100.5
Children's food	"	21	111.8

A number of items were produced in excess of the plan for further automation of production. These included items such as automated technological lines and modules for mechanical processing, integral microcircuits, microcomputer systems, personal computers, external memory devices on magnetic disks, magnetic tapes, and so forth.

Both quantitative and qualitative progress has been made in industry. In 1984 more than 4.5 billion leva's worth of improved products were produced, which exceeds the 1983 level by 20.5 percent and the plan indicator--by 10.6 percent, with the proportion of these products in the overall volume of commercial industrial output amounting to 11.5 percent. The quality of industrial items improved. As compared to 1983 34.3 percent more products were produced which were certified to be in the highest category. Above-plan profit amounted to 435 million leva.

Bulgaria's investment program for 1984 was directed toward further development and improvement of the material and technical base of the national economy and growth of the economic potential. The overall volume of capital investments amounted to more than 8 billion leva. Most of the money was invested in energy-raw material branches of the economy in order to introduce scientific and technical achievements and to raise the standard of living of the people. More than 74 percent of the national capital investments were used in branches of material production. The volume of construction and installation work increased by 3.6 percent and amounted to more than 4 billion leva. But certain startup projects were not completed on time. The necessary conditions were not created for rhythmic fulfillment of the investment program, and new, highly productive technologies in construction were slow to be introduced.

In spite of the continuing drought, in agriculture during the past year good results were achieved both in animal industry and in crop growing. The gross agricultural output was 6.8 percent greater than in 1983 and 10.7 percent greater than the average level for 1976-1980. There was a considerable increase in the production of the main products of crop growing and the procurements of grain, sugar beets, tomatoes, apples, grapes and so forth.

The gross output from animal husbandry amounted to 101.1 percent. Meat production increased by 2.1 percent, milk--by 1.2 percent, and eggs--by 2.2 percent, and there was also an increase in the procurements of meat, eggs and wool. The production of vegetables, fruits and animal husbandry products on private and subsidiary farms increased significantly.

Transportation and communications systems in the country continue to improve. Business transportation organizations and general-purpose transportation provided for transporting 1.3 million tons (0.4 percent) more cargo than required by the plan, and 3.3 million (1.8 percent) more passengers than in 1983.

The successes in material production in 1984 and the increased national income created a stable basis for further raising the standard of living of the people.

The real income of the population increased by 2.7 percent in 1984. The average monthly earnings of people employed in the national economy reached 206 leva. Public consumption funds increased by 4.2 percent.

The supply of the population with the main food and industrial goods improved. The assortment of items offered by the trade network became more varied. Retail commodity turnover increased by 4.6 percent.

Special attention is always devoted to children, mothers, young specialists, low-paid workers, pensioners and so forth. Beginning on 1 September 1984 the minimum monthly wage rate and salary were increased as were the minimum monthly earnings of young specialists with higher and secondary education, and also middle and higher medical personnel. Other measures were conducted for raising the standard of living for individual categories of citizens.

Implementation of the decisions of the 12th Congress of the Bulgarian Communist Party and the results of the fulfillment of the plans for 1984 and the 4 years of the five-year plan constitute a stable basis for successful completion of the five-year plan as a whole. The party is directing the country's workers toward accelerated introduction of the achievements of scientific and technical progress in all spheres of the national economy. Herein lies the basis for further significant growth of public production and improved well-being of the people.

#### Hungary

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 6, Jun 85 pp 20-23

[Article by Albert Kish, deputy chairman of the Hungarian Central Statistical Administration: "The Hungarian National Economy"]

[Text] The main goals of the plan for the development of the Hungarian economy in 1984, as in past years of the current five-year plan, were consolidation of the foreign economic balance of the national economy, maintenance of the country's international payment ability, and maintenance and raising of the achieved level of development of the economy and the life of the population. In order to reach these goals while at the same time increasing production, there was a certain limitation on internal consumption.

The plans for the development of the country's national economy in 1984 were basically fulfilled. The foreign economic balance improved and the international payment ability became stronger. The earmarked standard of living for the population was basically reached, and their material and technical conditions improved. The growth rates of production exceeded the planned level. Indebtedness in convertible currencies increased to a greater degree, and indebtedness in transferrable rubles increased to a lesser degree than last year. The active foreign trade balance exceeded the balance of the previous year, but it did not reach the level envisioned by the plan.

According to preliminary data, the volume of produced national income increased by 2.7 percent as compared to 1983 while the number of people employed in the sphere of material production decreased by 1 percent. Thus the increase in production took place completely as a result of increased labor productivity, which amounted to more than 3.5 percent. The volume of fixed capital increased (see table).

The expenditure of energy increased by 3.9 percent as a result of the increased production and consumption caused by the unfavorable weather conditions. This increase took place both in branches of material production and in consumption by the population and the sphere of municipal services. The process of reduction of the proportional expenditure of energy is continuing. Domestic sources played a large role in satisfying the country's energy needs.

The overall volume of industrial output increased by 3 percent. This is more than was planned. The output of products by state enterprises increased by

2.5 percent, and industrial cooperatives--by 4.1 percent. The production of small economic associations and industrial enterprises increased to a greater degree. In all of the most important branches of the national economy and except for the mining and extraction industry and machine building, the output of products turned out to be greater than was envisioned.

Table--Basic Indicators of the Development of the Hungarian National Economy in 1984 (in % of 1983)

	<u>Planned</u>	<u>Actual</u>
National income	101.5 - 102.0	102.7
Domestic utilization of national income	98 - 99	About 100
Industrial production	101.5 - 102.0	103
Volume of construction and installation work	97 - 98	95 - 96
Production of agricultural products	103 - 104	102.5 - 103
Real per capita incomes	100.0	About 101
Overall consumption by population	100.0 - 100.5	About 101

The proportion of the production of electric energy and products of the chemical branch continue to increase in the structure of industry, and production from the mining and extraction branch decreased. As distinct from the tendency of preceding years, there was a greater reduction of the proportion of products of machine building and the food industry, and the proportion of products from light industry increased.

The reduction of the output of metallurgical products, which was observed for several years, came to a halt. The proportion of the production of construction materials stabilized. The manufacture of products from such energy-intensive productions as nonferrous metallurgy and the aluminum and chemical industry increased. On the whole one can note that in the structure of industry changes took place in the direction of the more material-intensive branches.

The production of industrial goods continued to increase. The export of industrial items from state and cooperative enterprises increased by 8.1 percent, and their sales on the domestic market increased by 0.9 percent. On the domestic market the population was sold 1.9 percent more goods than during the preceding year. The sales of products intended for capital construction were 0.4 percent less, and for production consumption--0.6 percent more than in 1983.

The output of machine-building products increased by 2.3 percent. The production of electrical equipment and fittings, products for communications and vacuum equipment increased to the greatest degree, the production of means of transportation increased to the least degree, the production of instruments and metal wares did not change, and the production of machines and equipment decreased.

The export of machine-building products to countries with which accounts are kept in transferrable rubles increased significantly (by 11 percent, and the export of products to which accounts are kept in convertible currency



decreased because of the reduction of exports to developing countries. The sale of products on the domestic market remained at the level of the preceding year.

In 1984 the extraction of coal amounted to 25 million tons or 0.7 percent less than in 1983 (mainly because of geological factors), petroleum--2 million tons, that is, essentially the same as last year, and natural gas increased by 6 percent and reached 6.9 billion cubic meters. The production of electric energy increased by 2 percent as compared to 1983. The second block of the Paksh AES was put into operation. It produced 14 percent of the country's electric energy.

The output of ferrous metallurgy products remained the same. Their sales on the domestic market decreased, but exports increased significantly.

In the aluminum industry the production of products increased by 6.9 percent, both because of the considerable expansion of sales on the domestic market and because of the increased exports, mainly involving sales to countries with which accounts are kept in convertible currency.

The production of the chemical industry increased by 3.8 percent, particularly and to the greatest degree because of products of organic and inorganic chemistry (8 percent), household chemicals and cosmetics, and also gas. There was an essential increase (6-7 percent) in the production of plastic items and pharmaceuticals. Almost 4 percent more mineral fertilizers and means of plant protection were produced. The production of the petroleum processing and rubber industry, plastics, and also chemical fibers increased by 1-2.4 percent.

The export of products from the chemical industry increased to countries with which accounts are settled in both ways. The deliveries to the domestic market were 1.5 percent greater than in 1983, including for satisfaction of the needs of the population--by 5.4 percent.

The growth of light industry production amounted to 3.2 percent. There was especially rapid development of the pulp and paper (6.7 percent), footwear (6.5 percent) and also the furniture (5.3 percent) branches. The output of clothing increased by 2.4 percent. The sale of products from light industry on the domestic market remained at the previous level, but exports increased as compared to last year.

The production of food industry products increased by 2.1 percent, most significantly meat products (6.1 percent) and dairy products. There was a certain reduction in the output of the flour-milling branch and a considerable reduction of sugar products. Along with the satisfaction of the needs of the country's population for food products through domestic resources, there was also a considerable increase in the exports of these products.

The number of people employed in the state and cooperative sectors decreased by 0.5 percent while there was an essential increase in small enterprises and cooperatives.



Labor productivity at state and cooperative industrial enterprises increased by 3.1 percent per one employee and by 7.1 percent per one working hour. The essential difference in these two amounts is explained by the fact that in 1984 in industry they changed over to a 40-hour work week.

The volume of construction and installation work in the country decreased to a considerably greater degree than was envisioned--by 4-5 percent, including contracting work--by 7.6 percent. Individual construction and the volume of work produced by small construction organizations increased.

In spite of the increasing demand for capital investments, the proportion between new construction and repair work did not change. The number of employees in construction decreased by 2.9 percent. The overall volume of construction and installation work per one employee was 4.8 percent lower than in 1983.

The production of agricultural products increased by 2.5-3 percent as compared to last year, including in crop growing--by 4 percent, and animal husbandry--by 1 percent.

In 1984 the largest grain crop was harvested. In practically the same area as was planted in 1983 15.7 million tons of grain were grown, which is 2 million tons more than in 1983. There were 7.3 million tons of wheat (with a productivity of 5.4 tons per one hectare) and 6.7 million tons of corn (5.9 tons per one hectare).

After the large shortage last year the sugar beet harvest increased by 15 percent, and potatoes--by 28 percent. There was an increase in the overall volume of all the vegetables that were harvested but there was a considerable decrease in the harvest of tomatoes and peppers.

They harvested 13 percent less fruit than during the preceding year, and only 870,000 tons of grapes, or 11 percent less.

The number of head of cattle remained practically the same, and at the end of 1984 there were 9,235,000 head of hogs, which is 6.2 percent less than a year ago.

The production of slaughtered cattle reached 2.4 million tons, or increased by 2.6 percent, milk--increased somewhat, wool--remained at the 1983 level, and eggs--decreased somewhat.

In 1984 the number of people employed in agriculture decreased by approximately 30,000 or 3-4 percent. This took place mainly as a result of the reduction of the number of people employed in the main activity of agricultural cooperatives and state farms, and there was also a reduction of the number of people employed in industrial jobs and construction.

Transportation enterprises and cooperatives transported 2.5 percent less cargo than they did a year ago. There was an increase in the average distance of shipments and because of this their volume in ton-kilometers decreased for all kinds of transportation except for rail transportation.

The number of passengers on inter-urban passenger transportation decreased somewhat, on rail transportation--they increased, and on interurban buses--they decreased.

City transportation transported 3 percent more passengers than in 1983.

The conditions of the foreign market did not become more favorable for the Hungarian economy in 1984. But the country's foreign trade turnover did increase. Imports remained basically at the level of the preceding year, but exports increased significantly, which contributed to the formation of a positive foreign trade balance.

In 1984 the decisive factor in our foreign economic ties was planned cooperation with the socialist countries. Imports from countries with which accounts are kept in transferrable rubles remained the same, although we received more energy carriers, raw material and certain kinds of basic materials and industrial consumer goods than we did a year ago. Exports to these countries increased by 7 percent, mainly because of deliveries of prepared industrial goods. There was a significant reduction of the amount by which imports exceeded exports.

Imports from countries with which accounts are kept in convertible currencies increased by almost 1 percent, and exports--by 5 percent. Imports of raw material, semimanufactured goods, spare parts and industrial consumer goods increased while imports of machines for production purposes decreased considerably. In exports there was an increase of certain basic materials of the metallurgical and chemical industries, semimanufactured goods, agricultural products and products of the food industry, and also industrial consumer goods. The exports of machines decreased as compared to 1983.

In 1984 on the capitalist market the prices of certain exported Hungarian goods were unfavorable and the ratio between import and export prices became worse. But even under these conditions Hungary's balance of foreign trade circulation in convertible currency exceeded the level of the preceding year.

The volume of national income utilized within the country remained approximately the same as last year, although the plan envisioned reducing it, and at the same time the consumption increased by 1 percent and accumulation decreased by 8-9 percent.

The volume of capital investments of socialist organizations decreased by 6-7 percent. This is less than was planned. In all branches of the national economy expenditures on capital investments were less than planned.

In the area of capital investments there was a continuation of a selective policy. In 1984 state support and favorable credit conditions were offered mainly to enterprises for increasing the production of goods for export, for efficient utilization of energy and materials, wastes and secondary raw material, and for reducing the importation of these.

The total nominal incomes of the population increased by 9 percent, and consumer prices increased by an average of 8.3 percent. The real incomes per one resident increased by approximately 1 percent, although the plan envisioned that the previous level be retained.

The nominal average monthly earnings of workers and employees and also the average monthly monetary incomes from collective farms of workers in agricultural cooperatives increased to a lesser degree than consumer prices did. Thus the real earnings per one worker in keeping with the plan were less than in 1983. But the monetary incomes from the basic activity almost doubled as a result of income received from work performed in various forms of small business. The real amount of all labor incomes remained essentially the same.

Monetary payments from public consumption funds increased by 12 percent. Expenditures on the development of public health, education and cultural and domestic service also increased.

The sum of pensions increased by 12 percent. The fact that the number of pensioners increased by 45,000 in 1984 and also the higher level of pensions for new pensioners contributed to this. Moreover, there was also an annual increase in pensions of 2 percent (a minimum of 100 forinths) and in 1984 there was an additional monthly payment to low pensions to make up for the influence of the centralized price increase which took place at the beginning of the year. In 1984 the sum of stipends for families with many children increased by 12 percent, and the stipends for caring for children were somewhat more than last year.

Consumption by the population increased by approximately 1 percent. In retail trade (in current prices) 8.7 percent more goods were sold, and their volume increased to an insignificant degree. Sales of products from the food industry in stores increased insignificantly, and sales of mixed industrial goods increased by 2 percent. Circulation in public catering and sales of sewing products decreased by 3.7 and 2.6 percent, respectively. In 1984 there was an increase in the network of retail trade stores, the number of them and the useful area of public catering enterprises. We constructed 70,400 new apartments, mainly using funds from the population with state support and credit.

The number of physicians came close to 34,000 in 1984, increasing to 31.8 of them for every 10,000 residents. During the course of the year we opened up 33 new medical points for general treatment and 36 children's medical points. The number of residents per one rayon and children's doctor decreased to 1,955. There were 100,000 more hospital beds, amounting to 94.2 per 10,000 residents.

Kindergartens have room for 414,400 children, which made it possible to accommodate 89 percent of the children of the appropriate age. About 93 percent of the 5-year-old children attend kindergarten, which is especially important for preparing them for school.

In 1984 1,286,600 children attended day divisions of general educational schools. Of the students who completed the eighth grade of the general

educational school 91 percent are continuing to study, including about one-third in vocational and technical schools, 27 percent in general educational gymnasiums and 27 percent in specialized secondary schools.

In 1984 there were about 100,000 students in the VUZes of Hungary, including 63,200, or almost 10 percent of the population between the ages of 18 and 22, in day divisions. Approximately 84 percent of the students have social stipends and approximately half of them are living in dormitories.

The results of the development of the Hungarian economy during 1984 show an enlivenment of economic activity and, on the basis of this, the achievement of the main goals of the national economic plan--consolidation of the economy and strengthening of the country's international payment ability, and also preservation of the standard of living of the population.

#### SRV

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 6, Jun 85 pp 23-27

[Article by Vo Van Kiyet, deputy chairman of the SRV Council of Ministers: "The Socioeconomic Development of the SRV in 1984 and 1985"]

[Text] The Results of the Fulfillment of the Socioeconomic Plan for 1984

For the Vietnamese people last year was a year of the most difficult natural disasters during the time since the country's complete liberation. They spread over all the regions of the country: there was extremely prolonged flooding in the South, strong winds in the central part, and flooding on the Bac Bo plain and in Hanoi. The overall damage caused by natural disasters is estimated in the tens of billions of dong. The difficulties are being exacerbated by hostile subversive actions and the aggression in the neighboring regions to the North which has been going on since April 1984. All this hampers the construction of socialism and the development of the country's economy. Nonetheless, the Vietnamese people have staunchly withstood their trials. The restoration of production and the stabilization of the life of the population have been carried out at rapid rates, order has been maintained in the country and its safety has been ensured.

Agricultural and industrial production have been further developed as compared to 1983.

The volume of agricultural products gathered in two harvests exceeded the 1983 level by 1 million tons, but because of the natural disasters it increased by only 300,000 tons as compared to 1983, which amounted to 96 percent of the plan.

The areas planted in industrial crops increased by 9 percent as compared to 1983, but their increase amounted to only 86 percent of what was planned. The production of a number of the most important crops increased: peanuts--by 23 percent, tobacco--by 28 percent, hevea--by 32 percent, and coffee--by 36 percent.

On the whole the planned assignments in animal husbandry have been fulfilled and overfulfilled. The plan for increasing the number of head of hogs was fulfilled by 100 percent, water buffalo--by 99.6 percent, cows--by 102 percent, and domestic poultry--by 101 percent. As compared to 1983 the number of head of hogs increased by 7 percent, water buffalo--by 4 percent, cows--by 7 percent, and domestic poultry--by 10 percent.

The volume of fishing products amounted to 102.7 percent, which is 6.3 percent more than in 1983. The catch of sea fish exceeded the plan level by 2 percent and increased by 5 percent as compared to 1983, and the catch of freshwater fish--by 10 percent. There was a considerable increase in the area allotted to breeding shrimp for export.

Centralized forest plantings exceeded the planned level by 29 percent and increased by 15 percent, including the area planted in varieties which provide raw material for spinning and the pulp and paper industry, which increased by 48 percent.

Thus in spite of the difficult natural conditions, agriculture in the SRV achieved success in the harvest of food and industrial crops, animal husbandry, forestry and fishing. In these branches production increased rapidly and uniformly as compared to last year. Attention should be given to the fact that the degree of marketability of agriculture increased and clearer boundaries were drawn between regions with highly productive rice production and regions that specialized in the production of industrial crops, especially with a short growing period.

In spite of the difficulties with the supply of energy, raw material and spare parts, industry provided for the fulfillment or overfulfillment of planning indicators for the most important kinds of products. Thus the production of electric energy exceeded the planning indicator by 1.5 percent, phosphates--by 5 percent, cargo barges--by 38 percent, electric engines--by 17.6 percent, and diesel engines--by 2 percent. The plan was also fulfilled for such kinds of products as yarn, fabric and paper. For other kinds of items the earmarked goals were not reached, but the volume of their production exceeded the corresponding indicators of 1983. Thus the output of cement increased by 46 percent as compared to 1983. As concerns the plan for the extraction of coal, it was fulfilled by only 81 percent, which amounted to 84 percent of the corresponding indicator for 1983.

After the announcement of the decisions of the 6th Plenum of the Central Committee of the Communist Party of Vietnam, the SRV Council of Ministers adopted 20 decrees and resolutions directed toward improving the system of management, overcoming existing shortcomings and developing creative initiative in all branches. As a result, industrial production in the third quarter of 1984 increased by 20 percent as compared to the same period of 1983.

In 1984 the volume of transportation of cargo throughout the country as a whole was fulfilled by 99 percent (an increase of 6 percent as compared to 1983), and shipments from the North to the South of the country--by 86.6

percent (13 percent more than in 1983). As compared to 1983 shipments of imported commodities increased by 12 percent and exceeded the planned indicator by 2 percent.

In the area of capital construction efforts were concentrated on carrying out the main tasks in the country's economic development--construction of the key facilities of the national economy. There was a considerable increase in capacities for producing electric energy, cement, paper and yarn.

In spite of the many difficulties in the economic development of the country and the life of the population, all available means were used for constructing large facilities which are of longer-term significance. Among them are the hydroelectric stations Khoabin, Chian and Kaudo, the Falay thermal station, enterprises of the petroleum and gas industry, large cement plants, capacities for producing fertilizers, and so forth. In agriculture considerable capital investments were directed toward the creation of regions for producing rubber.

The increased work for distribution of labor resources was closely related to the economic regioning. The overall number of individuals employed in the assimilation of new economic regions almost doubled as compared to 1983, exceeding the planning indicator by 30 percent. This contributed to providing labor resources for such regions as Teyn Guen and the eastern part of Nambo, which specialize in raising hevea, coffee and other food and industrial crops.

Appreciable success has been achieved in carrying out socialist transformations. Agricultural cooperative members have continued to expand and improve the system of piece-rate wages. In the south of the country redistribution of the land has been basically completed. As a result of the successful agricultural cooperation, production brigades and cooperatives encompass about 52 percent of the peasant farmsteads and about 44 percent of the land fund.

By considering planning indicators alone it is difficult to make a correct evaluation of all the tendencies in the development of the economy and the struggle for maintaining the country's security and national independence. It is also necessary to see the deep changes that are taking place in various spheres of social life.

At the present time the construction of socialism in Vietnam is being carried out under the conditions of small-scale production and backward agriculture. The country is experiencing the consequences of a hard 30-year war. Herein also lie the sources of the difficulties which the Vietnamese people will be overcoming for many years to come.

It is also necessary to say that the tendencies toward change in the prices on the world market were unfavorable for the Vietnamese economy: prices for industrial goods increased and for agricultural goods they decreased; this limited the possibilities of exporting and acquiring the necessary raw material, fuel and equipment. Moreover, the rates of growth of the population have been very high in recent years; since 1976 it has increased by 12 million people.



The year 1984 was difficult. In spite of this we provided for the safety of our state and the stability of the society, and production continued to develop. This shows the stability of the situation of the SRV and the rates of its development.

#### Directions, Tasks and Main Goals of the Socioeconomic Plan for 1985

The year 1985 is the final year of the current five-year plan and at the same it is a year of preparation for the 1986-1990 Five-Year Plan. It should be a year of large changes in the country's socioeconomic position.

It is necessary to accelerate the work for preparing the plan for 1986-1990: to sum up the results for 1981-1985, to develop a long-range strategy for socioeconomic development, and to plan capital investments and select objects for capital construction. In conjunction with the CEMA countries it will be necessary to coordinate national economic plans and create a new structure of management for purposes of accelerated economic development.

In 1985 the agricultural front was considered to be the main one, as before. It is also necessary to accelerate the development of the production of consumer goods and goods for export. We must continue in the future to reinforce the key objects of large-scale industry which serve agriculture, increase the production of consumer goods, and provide for efficient development of the agroindustrial structure.

Stabilization and improvement of the life of the population, mainly residents of regions that suffered from natural disaster, border regions and mountainous regions, continue to be crucial problems. Considerable attention should be given to improvement of the conditions for the life of our military men, workers and employees. Along with this it will be necessary to fight for increasing accumulations of money to continue the construction of the material and technical base for socialism.

It is necessary basically to complete the socialist transformations in agriculture of the southern provinces of the country, mainly as a result of drawing the peasantry into production brigades. There is a good deal to do for socialist transformations in private trade and industry and the strengthening of the socialist sector in the SRV economy.

It is planned to further improve the system of management of the economy as a result of the development of concrete decisions and decrees directed toward changing over from administrative methods of management to the principles of cost accounting [khozraschet] and socialist management.

The establishment of planning indicators should correspond to reality and should be stable in nature.

The development of agricultural production, forestry and fishing: the primary task of agriculture is to increase the production of food (both rice and other food crops). In order to stabilize the satisfaction of the needs of the entire society for foodstuffs and to create the necessary food supplies, in

1985 it would be necessary to increase the yield of the main food crops by 8.5 percent as compared to 1984.

The arrears in the area of the production of additional crops should be eliminated at rapid rates. In addition to extensive application of interrow plantings and the utilization of all areas on which additional crops can be cultivated, it is necessary to create entire regions that specialize in their production and to intensify the raising of corn, manioc and other crops that serve as raw material for industry and feed for poultry raising.

In 1985 it will be necessary to develop the production of industrial crops, mainly with short growing periods, and also hevea, coffee, tea, cocoa palms and other perennial plants. The areas planted in industrial crops should increase by 24 percent as compared to 1984, including areas planted in industrial crops with short growing periods (32 percent), and perennial crops (12.6 percent).

In animal husbandry the number of head of water buffalo is to increase by 4 percent in 1985, and cows and hogs--by 8 percent. Here a great deal of attention will be devoted to the creation of food-raising belts around large cities and industrial regions.

In the area of forestry in 1985 centralized plantings will cover 110,000 hectares and the volume of procurements of timber will increase by 6 percent as compared to 1984.

In the area of fishing it will be necessary to expand the scale of saltwater fishing, and here special attention will be devoted to propagating shrimp for export and expanding the areas allotted for the propagation of fish in the food belts around large cities and industrial regions. In 1985 the catch of saltwater fish should increase by 4 percent as compared to 1984, and the export of fish products--by 28 percent.

The development of industry, capital construction and transportation: in the area of industrial production it will be necessary to struggle to exceed the indicators achieved in 1984.

The development of production should concentrate on the following areas: the output of the most important kinds of goods necessary for the population and also products intended for export; the use of capital investments for energy engineering, the coal extraction industry, machine building, the production of cement, fertilizers and other branches which provide products for agriculture, consumer goods and items intended for export.

In 1985 we shall produce 9 percent more electric energy than we did in 1984. This is still not enough to fully satisfy the needs of the national economy. Therefore it will be necessary to try in all ways to economize and reduce losses of electric energy, to increase the capacities of hydroelectric power stations, and to utilize more fully the possibilities of using natural gas for producing electric energy.



Coal is extremely important to the country's economy. In 1985 its extraction should be increased by 14 percent, and the quality of coal should be improved. In order to increase the output of rolled steel by 33 percent as compared to last year, it will be necessary to expand cooperation directed toward the creation of conditions for importing the necessary raw and processed materials and fully providing metallurgical enterprises of the country with scrap metal and electric energy.

In the area of machine building the primary tasks will be to produce spare parts, to repair means of transportation, agricultural equipment and equipment for producing electric energy, coal and fabrics, to produce small and medium-sized equipment for processing foodstuffs, and to produce consumer goods.

It is necessary to increase the production of fertilizers and insecticides. In 1985 the output of fertilizers will increase by 10 percent as compared to 1984. Additionally, it is necessary to increase the production of soda, a number of chemical substances, paint, electrodes, carbide lamps, spare parts made of rubber, and so forth. This will make it possible to reduce imports and more fully satisfy the needs of certain branches of the economy.

The production of construction materials should increase in 1985. In order to achieve high production indicators in the cities of Binh Son and [Huoang Hat], it is necessary to comprehensively solve problems related to the production, packaging and transportation of cement. It is intended to increase cement production by 12.7 percent as compared to 1984.

Work for prospecting and finding petroleum and gas wells on the continental shelf of the south of the country is proceeding at accelerated rates. Construction work is being developed on facilities for providing for the extraction of petroleum and gas, and also a number of auxiliary facilities in the petroleum and gas region of Vung Tau. Work will be completed here for evaluating the gas supplies in the region of Tien Hai.

Consumer goods production is concentrated on the output of such basic items as fabrics, writing paper, medications, soap, export goods and other goods which provide for significant incomes into the state budget. For purposes of better satisfying the needs of the population for goods that are in daily demand we shall utilize more fully local raw material and capacities of local, small-scale and cottage industry. In 1985 the output of fabrics, including silk, is to be increased by 9 percent as compared to 1984, and paper--by 12 percent. In order to satisfy the need for sugar, its production will be increased by 12 percent as a result of more extensive utilization of enterprises with small and medium capacities.

The volume of cargo shipments increased by 7 percent in 1985. It is necessary to concentrate efforts on providing for shipments along the main transportation arterials of the country, devoting attention mainly to the shipment of fertilizers, fuel and lubricants, rock coal, cement, timber and export goods. In order to utilize existing means of transportation means as best we can, it is necessary to increase their cargo capacity by 5-10 percent

and to improve management. The cost of postal services in 1985 will increase by 19 percent as compared to 1984.

In 1985 the volume of capital investments will remain at the 1984 level, and they will be concentrated mainly on priority objects. This pertains above all to agriculture and forestry as well as irrigation. In industry capital investments will be used mainly for the development of the production of consumer goods. Here major attention will be devoted to staffing and automating existing capacities in order to increase their effectiveness and rapidly increase the production of goods that are needed by the population. In heavy industry capital instruments are envisioned primarily in branches that are directly related to agriculture, light industry, the processing industry and transportation. The plan for 1985 envisions allotting capital investments for housing construction in cities, mainly Hanoi and the large industrial regions.

Increased exports and development of economic ties with foreign countries: in 1985 the volume of exports will surpass the corresponding indicator for 1984 by 11 percent, mainly because of exported agricultural products, and also the fishing industry. It is necessary to have capital investments for creating supplies of the main export goods such as peanuts, soybeans, rubber, coffee, tea, cocoa and tobacco. At the same time it is necessary to develop foreign tourism, expand services and conduct the corresponding policy with respect to currency that comes in from immigrants. It is intended to expand economic cooperation with the CEMA countries, Laos and Cambodia.

Distribution and circulation: a task of primary importance is the concentration in the hands of the state of commercial and monetary resources and state control of the market and price setting. In order to concentrate in the hands of the state the entire system of wholesale trade, a large part of retail trade in the sphere of services, it is necessary to continue the transformations that have already been started, to expand the system of socialist trade, and to adhere to the established policy for releasing manufactured products to the state.

In 1985 state procurements of foodstuffs will increase by 24 percent as compared to 1984.

In the sphere of finances and monetary circulation it is necessary to achieve an increase in incomes into the state budget, to provide for complete gathering of agricultural and commercial-industrial taxes and payments on loans, and to fight for a reduction of expenditures and efficient ratio between expenditures and incomes into the state budget.

It will be necessary to develop and implement measures directed toward forming prices that correspond to the actual socioeconomic position of the country and to create conditions for their gradual stabilization.

On the basis of the development of production and comprehensive measures in the sphere of finances and price setting, in 1985 a further step will be taken in the stabilization of the conditions for the life of the population. The level of consumption of food will become more stable than in 1984. The volume

of consumer goods sold to the population is to be increased by 20-30 percent. In 1985 3 percent more housing will be constructed. Moreover, some of the capital investments will be allotted for the reconstruction of old buildings and the staffing of public institutions (kindergartens, stores and schools).

The SRV Council of Ministers will accelerate research work for further improvement of the system of wages. At the same time it is necessary to wage a struggle against speculation and price increases.

Population and labor resources: in 1985 it will be necessary to lower the level of increase in population in the country to 1.9 percent and to continue the redistribution of labor resources and population in the provinces and districts, taking into account the shortage of labor resources in a number of regions. In 1985 the population sent for the assimilation of new economic regions will exceed the 1984 level by 6 percent.

In 1985 it will be necessary to fight for increasing labor productivity as compared to 1984 in state industrial enterprises by 6 percent, in construction --by 8 percent, and in transportation--by 5 percent.

Development of science and technology: it is necessary to achieve the most rapid possible utilization of the achievements of scientific and technical progress and to accelerate work for effective fulfillment of programs for scientific research, especially in the area of standardization, measurements and product quality control. The activity of scientific research institutions should be directed toward implementing the most important state programs. To do this we must organize scientific institutions and bring their activity closer to the production base, directing them toward the solution of concrete problems.

It is necessary to step up the work in the area of meteorology, geological prospecting and investigation of natural resources.

Education, personnel training, mass cultural and information work, public health and social needs: in 1985 it will be necessary to continue the reform of the system of education and to improve the quality of the training process, devoting attention to consolidating the system of preschool education, expanding the material and technical base, increasing the qualifications of personnel, providing for political and moral education as well as occupational orientation of students in general educational schools. At the beginning of the 1985/86 school year the number of students in general educational schools will increase by 2 percent.

Much will have to be done to raise the cultural level of the population and eliminate illiteracy, especially in the mountain regions of the northern part of the country and the provinces of the Ten Guen Plateau and the Mekong Delta.

It is necessary to bring order into the system of higher and secondary specialized training institutions, devoting special attention to the training of personnel for public health, education, agriculture and forestry. In 1985 the recruitment of students into higher and secondary specialized training

institutions will increase by 8 percent as compared to 1984. The number of skilled workers will increase by 14 percent.

Mass cultural and information work should be directed toward propaganda and clarification of the party policy, tasks of the state plan, and mobilization of the workers for conducting socialist transformations, protecting the homeland and fighting for the victory of socialism over communism. It is necessary to promptly rebuff reactionary attempts on the part of the enemy in the area of ideology and culture and to fight against negative social phenomena. The overall volume of the printed output in 1985 is to increase by 5 percent as compared to 1984 and the output of textbooks for general educational schools--by 14 percent.

Public health is directing efforts toward reducing infectious diseases, prevention of occupational diseases and improvement of medical service in hospitals, polyclinics and medical points.

In 1985 the admission of children into kindergartens will increase by 3.2 percent as compared to 1984.

#### GDR

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[Article by Arno Donda, chief of the State Central Statistical Administration of the GDR: "Dynamic Development of the GDR Economy"]

[Text] In 1984 the GDR took a large step forward in implementing the decisions of the 10th Congress of the SED concerning further construction of a developed socialist society.

The 35th anniversary of the formation of the GDR was celebrated as a significant political and national holiday. In 1984 the workers, under the leadership of the SED, achieved great success in the name of the socialist homeland, thus making an active contribution to the consolidation of peace throughout the world.

Socialist competition organized by the trade unions developed rapidly. The commitments made by the workers for carrying out above-plan tasks were overfulfilled. The workers continued to work purposively to solve the main problem which lies in the unity of the economic and social policy for the good of all the people.

In 1984 the development of all branches of the national economy was characterized by high dynamism and increased effectiveness. In keeping with the economic strategy adopted by the 10th Congress of the SED, intensive expansion of reproduction became a decisive factor in the development of the national economy. Important prerequisites were created for successful continuation of general intensification. The increase in economic results and effectiveness of the national economy were provided increasingly by the

introduction of new technological processes and the assimilation of new kinds of products.

Further acceleration of the rates of increase in labor productivity was of great importance. As in preceding years, in 1984 the reduction of proportional production expenditures contributed significantly to increasing the national income.

Internal sources of stable and dynamic growth were assimilated intensively through effective utilization of the spiritual and material potential. The economic successes contributed greatly to improving the material well-being and the cultural level of the people.

The inviolable fraternal union with the USSR and the firm position of the GDR in the socialist community served as a reliable foundation for the dynamic development of the GDR in all areas. New long-range steps have been earmarked for further expansion of cooperation between the GDR and the USSR.

The produced national income increased by 5.5 percent. This was achieved because of the essential advancement of production and the increased effectiveness of all branches of the national economy. Industry provided for 70 percent of the increase in the national income.

Labor productivity in the national economy increased by 5 percent. Increased labor productivity provided for 90 percent of the increase in national income.

The reduction of production expenditures contributed considerably to increasing the national income. These expenditures amounted to 3 percent less than in 1983 per unit of national income.

Measures for deeper processing of raw and processed materials with increased production led to a reduction of proportional expenditures of the most economically important energy, raw material and processed material resources by approximately 5 percent.

There was a considerable reduction of the proportional transportation expenditures in the national economy--of 4.6 percent.

Production equipment was extensively modernized. The age of more than one-third of the overall volume did not exceed 5 years. The utilization of the main production equipment improved (more than 16 hours during the calendar day).

Net output in the system of industrial ministries increased by 8.5 percent and the plan for its production was fulfilled by 103.9 percent. A decisive factor here was the further acceleration of the rates of increase in labor productivity, mainly as a result of the introduction of modern technological processes and the assimilation of new items. Labor productivity calculated on the basis of net output increased by 7.7 percent.

More than 90 percent of the increase in industrial production was provided through increasing labor productivity. At 35 industrial combines and

throughout the entire system of light industry labor productivity increased more rapidly than the net output of products did.

The volume of commercial industrial output in the system of industrial ministries increased by 4.5 percent, and in the national economy as a whole--by 4.2 percent; the plan for output of products was fulfilled by 101.2 and 101.6 percent, respectively. Combines of industrial ministries manufactured 5 billion marks' worth of products for supplying the population and satisfying the needs of the national economy and export needs, which was tantamount to more than 3 days' worth of production.

The updating of production was accelerated. The degree of updating of products in the system of industrial ministries reached 21 percent.

All branches overfulfilled the plan for the output of new consumer goods. The combines increased the production of manufactured items for the population by 4.5 percent and overfulfilled the plan.

Expansion of their production and improvement of quality of means of streamlining continued. Through the efforts of the enterprises of the system of industrial ministries, 27 percent more of them were manufactured than in 1983. The plans were overfulfilled by all branches. As a result of more extensive introduction of microelectronics and robot equipment, the scientific and technical level of the means of streamlining rose. The extraction of domestic raw material and energy resources increased, which contributed to increasing the national effectiveness.

As a result of intensification of production in the mines the plan for the extraction of ordinary brown coal and the production of products from processing it was fulfilled. Deeper processing of energy, raw material and processed material resources contributed to improving quality, increasing effectiveness and increasing production.

Good results in producing high-quality products with reduced material expenditures, particularly through the introduction of modern productions and technological processes, were achieved primarily by metallurgy in the chemical industry. The increased production as a result of deeper processing of items in metallurgy reached 75 percent, and in the chemical industry--about 60 percent.

The quality of industrial products improved. The Emblem of Quality was placed on 79 billion marks' worth of products which are produced, that is, 18 percent more than in 1983. The expenditure of liquid energy bearers continued to decrease, above all fuel oil and diesel fuel, and we also continued to transfer equipment from producing heat from fuel oil to domestic energy bearers, mainly ordinary brown coal.

The degree of repeated utilization of secondary energy suitable from the technical and economic standpoint reached 82 percent.

In 1984 the collection and utilization of secondary raw material improved. We managed to provide for stable procurements of the traditional kinds of it.



At the present time almost 12 percent of the needs for industrial materials are satisfied with secondary raw material. Its proportion in the overall expenditure of materials on the production of crude steel amounted to 76 percent, and copper--68 percent. The utilization of scrap paper for manufacturing paper and cardboard reached almost 50 percent.

There was a considerable increase in the output of microelectronics products, and their assortment increased. The production of semiconductor components and electronic units increased by 18 percent, including solid integrated circuits--by 24 percent, and opto-electronic units--by 15 percent. These products have been utilized more and more intensively for increasing labor productivity and effectiveness in all branches of the national economy, particularly in machine tool building and textile machine building.

There has been a large increase in the production of machine tools and machines. The output of highly productive machine tools increased in excess of the average level, and the proportion of machine tools with numerical program control amounted to 41 percent of the overall volume. As a result of the creation of automated production sections, the technological level of the processing industry rose. The plan for the output of industrial robots was fulfilled by 133 percent.

The high level of economizing on materials and energy, the more efficient utilization of labor resources and the increased introduction of highly effective technological processes--all this made it possible to reduce production outlays. The production cost per 100 marks' worth of commercial output in the system of industrial ministries decreased by 2.3 percent.

Mainly through intensification of production we managed to utilize the achievements of science and technology more effectively in the national economy.

On the whole we managed to carry out the tasks envisioned by the plans for the development of science and technology in research, development and the introduction of new scientific and technical achievements. As a result of the assimilation by production of 5,450 new items and technological processes decisive prerequisites were created for increasing the effectiveness of production and improving the quality of products. Researchers, developers and technologists, competing for a worthy greeting for the 35th anniversary of the formation of the GDR, completed more than 10 percent of the scientific and technical tasks before the deadlines envisioned by the plan or with higher economic results.

As a result of the assimilation of 2,180 new technological processes, the application of an additional 10,800 industrial robots and the introduction of microelectronic control, we saved 620 million hours of working time (this corresponds to the work time fund of 340,000 workers). This was a decisive factor in increasing labor productivity. The increased effectiveness of the production of means of streamlining and also its primary orientation toward acceleration of the utilization of the latest scientific and technical developments in practice contributed more and more to the achievement of these

indicators. Because of the modernization of production equipment and sections through the introduction of the achievements of scientific organization of labor, 225,600 work positions were reorganized, thus improving working conditions. Working conditions and loads that are dangerous to the health because of physically heavy work were completely eliminated for 26,900 workers.

Conducting scientific and technical measures provided for a reduction of the proportional expenditures of materials.

The positive results in the utilization of the achievements of scientific and technical progress for the development of the national economy were achieved because of intensification of the cooperation with the CEMA countries, mainly with the USSR. Cooperation in scientific research work was expanded in areas that essentially determine the rates of scientific and technical progress. This pertains particularly to computer equipment and microelectronics, atomic energy engineering, and the technology of chemical and metallurgical production. We carried out tasks envisioned by intergovernmental agreements and contracts concluded at the level of ministers with the USSR and other fellow countries. This contributed to a considerable degree to the achievement of the goals earmarked in the area of science and technology.

In 1984 the volume of capital investments in the national economy for planned improvement of the material and technical base of production and successful continuation of the social policy amounted to approximately 56 billion marks. More than three-fourths of this money was used for increasing production capacities and increasing the effectiveness of material production. The number of objects that were completed and suitable for operation increased considerably as compared to 1983.

Investment activity was concentrated on objects that contribute to significantly increasing labor productivity, mainly through extensive introduction of modern technologies, effective utilization and deep processing of domestic fuel and raw material resources, increased export potential, increased quantities and improved quality of consumer goods, and implementation of the decisions of the 10th SED Congress concerning comprehensive housing construction.

A larger part of the capital investments were used for streamlining production. In the system of industrial ministries this amounted to 57 percent. At many combines modernization has increasingly become the major form of reproduction of fixed capital.

Rates of development of production of means by which the enterprises streamline their own work increased. Modernization of entire production sections and shops increased in scale, and thus, step by step, all production technology, which now includes 43,000 robots, rose to a higher level.

Construction workers overfulfilled all monthly and annual plans, coming out with excellent initiatives during the course of socialist competition. The quality and effectiveness of construction processes improved. Expenditures on construction continued to decrease, and it took less time to complete it.



The branch's net output increased by 7.7 percent, exceeding the planned assignments. The plan for construction work was fulfilled by 105 percent, and the volume of this work increased by 2.5 percent. All combines under central jurisdiction and construction organizations under local jurisdiction of all districts overfulfilled their plans. As a result of more complete utilization of qualitative factors in economic growth, positive results were achieved in developing production and increasing effectiveness. The profit received by the combines and construction enterprises exceeded the planned amount. This was provided for to a considerable degree because of the reduction of the production cost by 2.4 percent per 100 marks' worth of construction production.

Labor productivity calculated on the basis of net output increased by 7.6 percent. At all combines under central jurisdiction and also in construction organizations under local jurisdiction in all districts the plan for increasing labor productivity was overfulfilled.

There was an essential reduction of proportional expenditures of the most important kinds of materials, particularly rolled steel--9.5 percent, and cement--6 percent.

The demand for intensively expanded reproduction was more and more taken into account through the continuing changes in the structure of construction work and capacities in favor of reconstruction, modernization and repair of the existing construction fund.

The majority of apartments were constructed in well-arranged regions and cities. Of the apartments constructed in 1984 89 percent were located in buildings with up to six stories, which made it possible to improve the ratio of expenditures and results.

The effectiveness of the work of construction organizations under regional jurisdiction increased, which was reflected primarily in the preservation of the housing fund. The volume of repair work on residential buildings as a whole increased by 17 percent in keeping with the plan.

Implementing the decisions of the 10th Congress of the SED and the 12th Peasant Congress of the GDR, cooperating peasants and workers in agriculture, forestry and the food industry through hard and skilled labor provided for stable supply of the population and industry provided them with raw material.

In crop growing they gathered the largest harvest in the country's entire history--more than 30 million tons of grain (in conventional units). Productivity amounted to 48.5 quintals per 1 hectare of agricultural land. This is 7.5 percent more than was planned and 13.8 percent more than in 1983.

The plan for state purchases of crop growing products was fulfilled and overfulfilled for grain, food potatoes, sugar beets and vegetables. The plan for purchases of fruits was not fulfilled. In 1984 about 300,000 hectares of agricultural land were prepared for irrigation. Thus the area of irrigated

land exceeded 1 million hectares. This amounts to 17 percent of all the agricultural land.

The plan for state procurements and purchases of animal husbandry products was considerably overfulfilled in all respects. Purchases of slaughtered livestock increased by 6.7 percent and milk--by 6.3 percent as compared to 1983. The growth of the number of head of cattle and poultry is shown in the table.

	(thousands of head)	
	As of 30 November 1983	As of 30 November 1984
Cattle	5,753	5,846
Including cows	2,094	2,081
Hogs	12,838	13,111
Including sows	1,217	1,184
Sheep	2,359	2,528
Laying hens	25,866	25,556

In socialist agricultural enterprises, because of the careful maintenance of animals and the care for them, indicators of raising young animals increased as compared to the preceding year: calves--by 1.2 percent, and young hogs--by 3.3 percent.

A new stage was reached in intensification of production. An increase in yields and productivity was provided for with a better ratio between expenditures and results. Qualitative growth factors are increasing determining the progress of agriculture. An increase in the output from crop growing and animal husbandry was achieved with a simultaneous reduction by approximately 10 percent of the expenditure of mineral nitrogen per unit of crop-growing products and a reduction by more than 4 percent of feeds per unit of animal husbandry products as compared to 1983. The proportion expenditure of energy decreased. Measures for improving management, planning and cost accounting in agriculture and deepening cooperative ties between agricultural cooperatives and public property for crop growing and animal husbandry, and also the reform of agricultural prices contributed to this to a considerable degree.

The volume of funds allotted by the national economy for environmental protection increased. Special measures were taken, primarily for preserving the purity of the bodies of water and the atmosphere, utilizing wastes and removing them without harm, reducing the noise level, and also preserving and protecting timber resources.

Transportation workers achieved great success in providing for the needs of the national economy for shipments. Increased attention was devoted to effectively switching cargo shipments from automotive to rail and river transportation. Because of the closer cooperation of all branches of the national economy the number of cargoes shipped within the country decreased by more than 1 percent as compared to 1983. As a result of technological and

organizational operations and modernization the handling capacity of energy-effective rail and river transportation increased. These kinds of transportation were used to ship more than 13 million tons of cargo and their cargo turnover increased by 3.7 percent while their share in the overall volume of cargo turnover in domestic shipments reached 81 percent. At the same time they managed to reduce the quantity of cargo shipped by automotive transportation (by 24 million tons) and its cargo turnover (by 9 percent) as compared to 1983.

The railroads were used to ship 338 million tons of cargo, that is, 4.1 percent more than in 1983. The loading of the commodity cars improved, and their turnover accelerated. In order to increase the handling capacity of the railroads and to provide for high economy of energy, electricity was supplied to 253 kilometers of railroad routes. The proportion of electric locomotives in the overall volume of cargo that was shipped increased from 28 to 32 percent. Shipments of containers increased by 16 percent. This made it possible to continue streamlining transshipment processes and reduce the time periods for shipments and the losses associated with transporting cargo.

On the basis of the increased economic potential of the GDR, its foreign trade turnover increased by 8 percent, including with socialist countries--by 9 percent, and with the USSR, the largest trade partner of the GDR, by 10 percent. Trade relations with nonsocialist countries continued to expand. The foreign trade turnover was then increased by 6 percent.

The active trade balance of the GDR as a whole amounted to 6.4 billion currency marks.

The growth of labor productivity and the increased effectiveness of public production made it possible to conduct significant social measures. The material well-being of the people and their cultural level were insured and continued to improve.

In keeping with the growth of production the net monetary incomes of the population increased by 3.9 percent as compared to 1983, or by 5.1 billion marks.

The increase in pensions beginning on 1 December 1984 is evidence of the successful implementation of the sociopolitical program. As a result, the monthly pension for more than 2.2 million pensioners increased by 30 marks. Women with three and more children were given an additional, differentiated increase in pensions.

Retail commodity turnover increased by 4.1 percent as compared to 1983, or by 4.2 billion marks, and reached 108.5 billion marks, the sale of industrial goods--by 5.0 percent, and food products--by 3.2 percent. The supply of the population with the basic food items and other important necessities was reliably provided with stable prices and on a high level.

The provision of households with high-quality appliances is on a high level.

The population received consumer services and repair work was conducted amounting to 6.1 billion marks, or more than 4 percent more than in 1983.

More than two-thirds of the consumer services and repair work for the population were provided by cooperatives and private enterprises. Cooperative enterprises increased the volume of services by 4.7 percent, and private enterprises--by 3.6 percent.

Services for repairing household appliances increased by 3 percent, including refrigerators, washing machines and gas appliances--by 9 percent. Repair of passenger cars belonging to the population increased by more than 6 percent. Dry cleaning of textile materials was provided in short periods of time and on a high level of quality.

In the area of public education improvement of 10-year general polytechnical secondary education and preschool education continued in a planned way. The level of class education of school youth and the quality of teaching rose. Workers in public health and social security exerted great efforts directed towards providing for high quality and effectiveness of medical and social service of the population. Here major attention was devoted to expansion of the system of basic medical service, including prevention, mainly in large cities and regions with a high population density.

Physical culture and sports developed with a new upsurge in 1984. The excellent results in the 14th Winter Olympics in Sarajevo, in the Friendship-84 summer sports competitions and in the championships of the world and Europe again proved that GDR sportsmen are among the best in the world.

Figures in culture and art and other artists demonstrated high achievements, providing a worthy greeting for the 35th anniversary of the GDR.

The positive results achieved in 1984 in all areas of social life constitute a solid basis for further successful fulfillment of the decisions of the 10th MVD Congress. In his New Year's speech General Secretary of the Central Committee of the SED, chairman of the State Council of the GDR, Comrade E. Honecker emphasized: "Continuation of artistic course for the good of the people, strengthening of socialism and insurance of peace--these will continue in the future to make up the central principle of all of our actions."

#### Cuba

Moscow EKONOMICHSKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 6, Jun 85 pp 32-33

[Article by Humberto Perez, chairman of the Central Planning Board of the Republic of Cuba: "The Cuban Economy in 1984"]

[Text] The plenum for 1984 envisioned the growth rates of that national economy within the range of 4-4.5 percent. In spite of the underfulfillment of planned assignments for producing the main export goods (sugar, nickel and citrus fruits), the efforts of the workers made it possible to compensate for these losses through other branches. As a result, the growth of the gross

social product amounted 7.4 percent in permanent prices of 1983 (preliminary figures).

This shows that the average annual growth rates of the gross social product during 1981 and 1984 amounted to almost 8 percent, which exceeds the planned indicator for the current five-year plan and the directive indicator adopted at the 2nd Congress of the Communist Party of Cuba.

The increase in the volume of construction this year approached 18 percent. This is the highest level during the entire postrevolutionary period. The volume of construction work and work for maintaining the housing front carried out by enterprises under the jurisdiction of local agencies of public authority increased by 45 percent as compared to 1983 and the volume of this carried out by the population through their own forces decreased somewhat.

On the whole, the advancement of the economy in 1984 was provided through increasing industrial output and the volume of construction, which accounted for 62 percent of the overall growth of the economy.

In light industry the increase in the production of yarn amounted to 6.7 percent, fabrics--2 percent, sheets--3 percent, pillowcases--49 percent, knit underwear (including sports)--12 percent, and household furniture--20 percent.

The production of metallurgical and metal processing products increased by 15 percent. This branch now accounts for about 13 percent of the gross social product. With respect to individual kinds of items the increase amounted to (%):

Rod-shaped steel for construction needs	12
Steel pipes for water supply	22
Semitrailers for agriculture	More than 100
Buses	19
Mainline cargo cars	11
Fishing ships with plastic bodies	55
Ships with reinforced cement bodies	42

The production of agricultural machinery increased by 21 percent. Output of household gas stoves increased by 20 percent, and household kerosene stoves--by 6.5 percent.

In the electrical equipment industry the increase in the production of batteries amounted to 11 percent, insulated electrical wires and cables was up to 1 kilovolt--23 percent, dry food elements--22 percent, refrigerators (household)--66 percent.

The increase in the output from the basic industry amounted to 6 percent. Here the production of the chemical and the rubber-asbestos industry increased by 15 percent. The output of tire coverings reached 449,100. This is the highest indicator in the country's entire history. The production of motor vehicle compartments increased by 15.5 percent, urea--twofold, paint items--45 percent, and synthetic ammonia--91 percent. The output of soaps and detergents was 5 percent lower than the 1983 level.

The production of medications increased by 10 percent. In the glass and ceramic industry the manufacture of glass bottles and flasks increased by 40 percent and tiled stoves--by 11 percent.

In the fuel industry the extraction of petroleum amounted to 771,000 tons, which is 4 percent more than in 1983.

The production of construction materials increased by 8 percent, including cement--3.6 percent, and amounted to 3.3 million tons, crushed stone--by 9 percent and reached more than 10 million cubic meters, brick--by 6 percent, concrete blocks--by 14 percent, construction slabs--by 8 percent, floor furnaces--by 20 percent, and roofing tile and gutters--by 12 percent.

There was a considerable growth in the tourism industry, which overfulfilled the annual plan. The overall number of tourists visiting the country increased by 34 percent, which led to an increase in incomes from this activity of approximately 20 percent.

Important results were also achieved in the production of food products. Products of the food and culinary industry, including drinks and tobacco items, increased by 15.7 percent. The production of canned fruits and vegetables increased by 9 percent, cheese--17 percent, milk--5 percent, beef and pork--6 percent, canned meats--11 percent, and canned fish--6 percent.

The procurements of root crops increased by 12 percent, vegetables--14 percent, rice--10 percent, tobacco--48 percent, bananas--30 percent and cocoa--6 percent. Only for citrus fruits was there a reduction in production by 5 percent.

The consumption fund increased by 4 percent, and almost 64 percent of this indicator was accounted for by increased private consumption.

The volume of goods offered to the population was overfulfilled as compared to the planned indicator and increased by more than 2 percent in constant prices as compared to 1983. Moreover the commodity turnover of the retail trade network almost reached the 1983 level, and public catering increased by 8 percent. The per capita consumption of grain crops increased by 2 percent, sugar--by 2 percent, root crops--by 3 percent, beans--by 10 percent, milk and dairy products--by 2.7 percent, vegetables--by 8 percent, eggs--by 1 percent, and meat, fats and fish remained at the 1983 level.

The volume of sales of goods on the so-called parallel market continued to increase. It was envisioned that it would increase by 20 percent as compared to 1983. In reality it turned out that this figure amounted to approximately 44 percent.

In the area of electric appliances the sale of refrigerators increased by 28 percent, and the sale of television sets and washing machines remained at the 1983 levels.



In public health the number of hospital beds per thousand individuals increased by 3 percent and amounted to 5.4. The number of medical consultations per one resident increased by 6.3 percent, and the number of residents per one position decreased from 526 in 1983 to 486 in 1984 (for one stomatologist these figures dropped from 2,260 to 2,059, respectively).

In the area of education the number of accommodations in groups for extended day primary schools remained at the 1983 level. At the same time there was a 1.6-percent increase in the number of accommodations in secondary schools, and 4 percent--in secondary boarding schools. The admissions to higher educational institutions also increased, and the overall number of students amounted to about 240,000.

The growth of all of these indicators in 1984 was accompanied by an increase in economic effectiveness. Thus the consumption of fuel per peso of produced gross social product decreased by 1.7 percent as compared to 1983, which corresponds to a savings of approximately 180,000 tons of petroleum.

Labor productivity increased by 5 percent (with a plan for 2.5-3 percent), which provided for 54 percent of the overall increase in the volume of production. As a result, about 200 million pesos were saved in wages. The average monthly earnings throughout the country increased by 3.2 percent and reached 186 pesos. The production cost of the products decreased by 2.4 percent, which is tantamount to saving 365 million pesos.

In the internal financial balance, as was envisioned by the planning assignment, there was an actual equilibrium. Throughout the entire year emissions amounted to a total of only about 60 million pesos while accumulations of the population increased by 110 million pesos.

The average annual growth rates achieved by our country during the years of the current five-year plan and also the growth of the economy in 1984 were conditioned by our relations with countries of the socialist community, especially the USSR, which provide for stable development of our economy.

But these growth indicators should not cause us to be complacent: the level of imports exceeds our capabilities; expenditures of energy and means of labor do not always correspond to the final economic effect; and expenditures and capital investments are still not sufficiently concentrated on solving priority problems.

This pertains first and foremost to the development of export funds and other sources of foreign accumulations, and also the replacement of imports. The volume of capital investments in the stage of being realized increases each day, which has a serious reflection on the effectiveness of the entire process and causes arrears in the construction of a number of facilities. The mechanisms for planning and material and technical supply are not always effective enough. Efforts for economizing on energy and other resources in recent years have brought certain results in the sugar industry, but these are still not enough, and possibilities which exist in this area are still not being utilized.



MPR

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 6, Jun 85 pp 34-36

[Article by Damiranjabyn Dzagasbaldan, chairman of the MNR State Statistical Bureau: "At High Rates"]

[Text] Workers of our country under the leadership of the MPRP [Mongolian People's Revolutionary Party] with all-around support and assistance from the Soviet Union and other fellow countries of the socialist community, has successfully carried out planned assignments of the fourth year of the 7th Five-Year Plan and achieved new successes in advancing the national economy and culture.

As results of the year show, the country's economy is developing dynamically public production is steadily increasing, its effectiveness is increasing, and the quality and technical level of the products are being improved. The material and technical base of the national economy is expanding and becoming stronger.

In 1984 4.4 billion tugriks' worth of capital investments were invested in all branches, or 5.8 percent more than in 1983. As a result, fixed capital increase by 11.6 percent as compared to 1983, including production capital--by 11.3 percent.

Productive forces are developing at rapid rates and the country's economic potential is becoming stronger. The achievements of science and technology are being introduced more and more extensively. A large amount of work has been done for applying progressive technology, and mechanizing and automating production processes. The provision of various branches with skilled personnel is improving.

Along with these expansion and strengthening of the technical base of the national economy, a good deal is being done to increase its effectiveness. We have developed and are implementing a complex of measures directed toward economical utilization of material, labor and financial resources and reduction of the energy- and material-intensiveness of production. This has produced a savings in the amount of more than 60 million tugriks. The volume of profit obtained in the national economy increased by 2.3 percent as compared to the 1983 level.

As a result of the release for operation of industrial enterprises constructed with the help of the Soviet Union and other fellow socialist countries and further supplying the national economy with new technical equipment, our country's economic development is becoming more and more industrial in nature.

With technical assistance from the Soviet Union, for example, we constructed and put into operation the first section of the Baga-Nur coal mine with a capacity of up to 2 million tons of coal a year, a bread and confectionery combine, a plant for carpentry items and built-in furniture in Ulan-Bator, an

enterprise for producing lime at the Khutul Plant, a second section of the food combine and rug factory in the city of Erdenet, an irrigation system on the Tsagan-Tolgoi State Farm of the Selenga Aimak and other facilities for production and cultural-domestic purposes. Construction was continued on a number of other large facilities such as TETs-4 in Ulan-Bator, the Choyr-Khar --Airag electric power transmission line, and so forth.

Development at more rapid rates is found in such technically equipped branches of the national economy as industry, construction, transportation and communications, and their structure is being improved.

In spite of the unfavorable weather conditions that have prevailed for a number of years, the average annual production of agricultural products increased by 13 percent during 1981-1984 as compared to the corresponding period of the previous five-year plan.

In farming we obtained 586,200 tons of grain crops and 34,200 tons of vegetables. We harvested 25,400 tons more potatoes than in 1983.

The gross output from animal husbandry in 1984 increased by 3.9 percent as compared to 1983. The plan for deliveries of milk was overfulfilled and their volume increased by 8.2 percent. We produced 4,331,200 tons of creamery butter, which is 308,300 tons more than in 1983.

Agriculture was considerably better supplied with modern technical equipment. Last year more than 900 tractors, more than 300 grain combines and a good deal of other agricultural equipment went out onto the fields. The volume of capital investments in the branch increased and its material and technical base is becoming stronger. The achievements of science and technology and advanced experience are being extensively introduced into practice.

With assistance from the fellow communist countries, primarily the Soviet Union, measures have been implemented for intensification of animal husbandry and agricultural production. Premises have been put into operation to accommodate 1,482,400 head of cattle. Flooding has been carried out on 2,422,300 hectares of pastureland.

The role and position of industry in the national economy are steadily increasing. Each year it provides a larger proportion in the production of the national income and the total output from industry and agriculture.

In 1984 as compared to 1983 the overall volume of the gross industrial output increased by 8.3 percent. Energy engineering, and the fuel, chemical, textile and food industry developed at especially rapid rates. As a result, today these branches, and also such leading ones as nonferrous metallurgy and the construction materials industry, are producing 67.5 percent of the country's entire industrial output.

The following increases were recorded in 1984 as compared to 1983: electric energy--28 percent, coal--9.2 percent, lime--9.5 percent, rugs--32.9 percent, knitted items--15.8 percent, leather footwear--21.1 percent, and mixed feeds--17.3 percent.

The plan for product sales was overfulfilled by the Erdenet Ore-Enriching Combine, the Baga-Nur and Odun-Chulun coal mines, the energy enterprises of the [Srednegobiyskiy] and [Khovdoskiy] aimaks, the pelt and fur factory and the food combine in the city of Darkhan, the bakery, dairy, confectionery factory and porcelain plant in Ulan-Bator, the food enterprises of the [Arkhangayskiy] and [Bulganskiy] aimaks, the wood-processing combine in Toson-Tsengel and many other enterprises.

Last year special attention was devoted to improving quality indicators, selling products and increasing profit. On the whole for branches of industry, 12.4 percent more products in the first quality category were produced than were in 1983, which means overfulfillment of the plan by 7 percent. Assignments were also exceeded for profit attained by industrial enterprises.

A decisive factor in the growth of industry was increased labor productivity. In 1984 it increased by 1.6 percent as compared to the preceding year.

Taking into account the fact that the scale of the construction of new facilities and the reconstruction of existing ones is increasing each year, the role of construction is increasing. The plan for increasing labor productivity in the branch was fulfilled by 105.3 percent. The volume of work of planning and estimating organizations exceeded last year's indicators by 6.3 percent.

Because of the rapid growth of the country's economic potential, the expanding ties among individual economic regions and enterprises, and the increased import and export operations in foreign economic relations with fellow communist countries, the volume of shipments has increased.

The cargo turnover from all kinds of general-purpose transportation increased by 10.8 percent in 1984 as compared to the preceding year (including rail cargo turnover--13.7 percent) it amounted to about 7 billion ton-kilometers.

Rail transportation occupies first place in the overall volume of cargo turnover. Its proportion is 73.4 percent, and automotive transportation--26.4 percent.

Passenger turnover is increasing steadily. In 1984 it amounted to 1,327,800,000 people, an increase of 10.7 percent over 1983.

The plan for increasing labor productivity in the branch was overfulfilled by 9 percent.

On the basis of rapid and comprehensive development of various branches of the national economy and the expansion of Mongolia's participation in international socialist division of labor, foreign trade is constantly increasing. Its structure is also improving. As compared to 1983 the overall volume of foreign trade turnover with socialist countries increased by 6.1 percent. Exports amounted to 453.9 million rubles, and imports--653.4 million rubles.

In commodity turnover the socialist countries accounted for 96.7 percent in 1984, including the CEMA countries--96 percent.

An important branch, which plays an ever-increasing role in foreign trade, is industry. Because of its rapid development in recent years our country has received the opportunity to essentially expand its export resources and, as a result of this, to increase imports of equipment, process materials, raw materials and other goods which are necessary for creating a material and technical base for socialism and also consumer goods.

The extensive social program advanced by the 18th Congress of the MPRP is being realized successfully. Last year the national income increased by 4.4 percent. The real per capita income increased by 3.6 percent as compared to 1983, and during the 4 years of the current five-year plan--by 11 percent. The increase in the monetary incomes of the population amounted to 4.1 percent per year.

The increase in monetary incomes was accompanied by an increase in the commodities and an expansion of the sphere of services, which was reflected in an increased volume of retail commodity turnover. This reached approximately 4 billion tugriks in 1984 and exceeded the 1980 indicator by more than 650 million tugriks.

The volume and scope of consumer services, especially for agricultural workers, also increased.

One of the most important measures for raising the standard of living of the workers is housing construction.

In 1984 the country's housing supply increased by 25 percent as compared to 1980. Last year residential buildings with an overall space of more than 190,000 square meters were built and put into operation. More than 30,000 citizens moved into new apartments.

Considerable funds are being invested in the development of public education and public health. In 1984 we put into operation physical plants for 27 general educational schools to accommodate 8,500, 33 dormitories with 2,900 beds, and 19 kindergartens and day nurseries. In the 1984/85 school year the number of students in all kinds of educational institutions increased by 10,000 as compared to the preceding school year.

The number of teachers in general educational schools amounted to 16,500, or 3.9 percent more than in the preceding school year.

Today for every 10,000 residents there are 2,708 students, including 136 students in higher educational institutions.

The year 1984 was also marked with great successes in the development of public health. Medical service was improved and expanded significantly. For every 10,000 people there are 110 hospital beds and 23 physicians.

A great deal of attention is also being devoted to environmental protection. A complex of measures is being carried out for protection and restoration of forest resources and their efficient utilization, for fighting against pests and rodents as well as erosion of the soil, for protecting the air and water basins from pollution, and for planting greenery in the cities and population points.

But, as was noted at the 8th and 9th (1984) plenums of the Central Committee of the MPRP, not all labor collectives are consistently achieving an increase in the effectiveness of production and the quality of work or high final results in the struggle for economy and thriftiness; they are not disclosing and mobilizing intraeconomic reserves, and they are not providing for conscientious discipline and organization. Because of this they are losing the opportunity to additionally increase the volume of output and accelerate the growth of production.

Because of this the party Central Committee has made it incumbent on them to take immediate concrete measures directed toward eliminating the shortcomings that exist and providing for the fulfillment of the plan with respect to all quantitative and qualitative indicators.

The 18th Congress of the MPRP has set large-scale tasks for economic and cultural construction under the 7th Five-Year Plan. Their implementation is of great significance in transforming the MNR into an industrial-agrarian country and further raising the level of development of the economy.

Necessary conditions for successfully carrying out these tasks are maximum mobilization of internal resources, all-around improvement of the quality of work, efficient utilization of the fruits of the ever-increasing economic cooperation with the fellow countries of the socialist community, mainly the Soviet Union, and, on the basis of this, all-round development and increased effectiveness of material production.

Now the workers of our country, having extensively developed socialist competition in honor of the 40th anniversary of the victory over Hitler's fascism and Japanese militarism, and also in connection with the forthcoming 19th Congress of the MPRP, are achieving fulfillment and overfillment of the planned assignments for 1985 and the 7th Five-Year Plan as a whole as well as successful implementation of the tasks set by the party for the creation of a material and technical base for socialism.

#### Poland

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 6, Jun 85 pp 36-39

[Article by Prof Weslav Sadovski, chairman of the Polish Central Statistical Administration: "The Economy on the Upswing"]

[Text] In 1984 there was further improvement in the country's economic situation. The output of products in all branches of material production increased as compared to 1983. There was an increase in foreign trade

turnover both with socialist and capitalist countries. The incomes of the population increased somewhat more rapidly than did the cost of living. There was a certain improvement in the supply for the market.

We did not manage to achieve fully the planned results in the area of capital investments. Moreover, there was an increase in additional payments from the state budget for the production of certain items in the rendering of services; the increase in wages outstripped the increase in labor productivity. At the same time the solutions to production problems and the achievement of social goals took place mainly according to the central annual plan for 1984, and in many branches this was ahead of the indicators envisioned by the central socioeconomic plans for 1983-1985.

The positive results of economic development and the higher level of material production provided for a considerable increase in the produced national income for the second year in a row. It increased by more than 5 percent as compared to 1983, and when calculated per capita--by more than 4 percent. Indicators for the utilization of the national income were analogous (Table 1).

Table 1--Fulfillment of Basic Assignments of Central Annual Plan

(1983 = 100)

	1984	
	<u>Plan</u>	<u>Actual</u>
National income:		
Produced	103	More than 105
Utilized	102	About 105
Capital investments in socialized sector of national economy	94	108
Sold products in socialized industry	104	105
Basic output of socialized construction and installation enterprises	100	107
Gross agricultural output	99	106
Exports	110-111	109
Imports	107-109	109

In 1984 there was an increase in labor productivity in the collective sector of approximately 6 percent.

The consumption of material goods by the population using private incomes increased by approximately 5 percent as compared to 1983, and per capita--by almost 4 percent.

The net investments in fixed capital increased by more than 6 percent, that is, they exceeded the increase in national income by an insignificant amount. Because of this they accounted for an increased proportion of the utilized national income.



Assignments of the central annual plan for the sale of industrial products were fulfilled on the whole by 100.8 percent.

The volume of product sales in socialized industry increased by 5.3 percent as compared to 1983, including in the extracting industry--by 2.8 percent, and the processing industry--by 5.5 percent. For small-scale industry this indicator of increase amounted to 9.1 percent.

A large increase in sold products was achieved in the electrical equipment and electronic industry (11.6 percent), precision instrument industry (9.6 percent), the energy industry (9.5 percent), the sewing industry (8.9 percent) and machine building (8.7 percent). The increase in output was lower than average in the fuel industry (0.2 percent), the paper industry (1.9 percent), the coal industry (2.3 percent), ferrous metallurgy (2.7 percent) and the food industry (3.5 percent).

Since the plan for the extraction of the basic fuel, particularly lignite and brown coal, and also the production of energy was fulfilled, there were no difficulties in supplying the consumers. Deliveries of liquid fuel were limited. The demands for electric energy were satisfied. Its utilization in industry increased by 3.9 percent as compared to 1983.

The supply of industry with the basic raw and processed materials also improved.

There were 4,418,000 people employed in socialized industry, or 24,000 less than in 1983. There was a reduction in employment in the majority of branches, but the largest was found in the paper industry, ferrous metallurgy and wood and metal processing. Employment increased in the coal, energy, precision instrument, sewing, leather and printing branches.

Labor productivity, calculated in terms of products sold per one employee, was 5.9 percent higher than in 1983, and calculated per one man-hour--5.6 percent higher.

State industry assimilated the production of more than 4,000 new items valued at 78.2 billion zloty, and electrical machine building produced about 3,000 new items valued at more than 48 billion zloty, including about 1,300 new kinds of machines and equipment. About 2,000 new technologies were introduced, which make it possible to reduce the expenditure of raw and processed materials and to improve the working conditions. A certain amount of progress was achieved in automation of production; the provision of industrial enterprises with robots did not change significantly.

The unfavorable tendencies which took place in preceding years in the area of technical progress were limited. Expenditures on experimental design work increased, amounting, according to preliminary estimates, to about 100 million zloty, that is, approximately one-fourth more than in 1983.

The number of registered inventions, useful models and efficiency proposals increased. In 1984 5,100 applications for domestic inventions came into the patent office, that is, 7.4 percent more than in 1983. The majority of



inventions pertained to chemistry, control and measurement equipment, electrical equipment, electronics and transportation. Foreign patents were applied for 91 inventions, or 32 more than in 1983.

The volume of gross agricultural output increased in comparison to the preceding year by 5.7 percent, including crop growing--by 7.6 percent and animal husbandry--by 3.4 percent. The level of commercial agricultural output was 3.8 percent higher, including crop growing--5.9 percent and animal husbandry--2.7 percent. The yield of grain crops and oil-bearing plants was fairly good. The overall area planted in grain crops increased somewhat and its structure changed. There was a marked increase in the area planted in wheat and oil-bearing plants, and at the same time there was a reduction in the area planted in potatoes, sugar beets and feed crops.

The yield of crop-growing products in 1984 is characterized by the data in Table 2.

Table 2

	<u>Millions of tons</u>	<u>1984 in % of 1983</u>
Grain crops	24.4	110.4
Potatoes	37.4	108.6
Sugar beets	16.0	98.1
Oil-bearing crops	0.9	164.8
Meadow hay	15.5	106.5

The yield of grain crops per 1 hectare reached 29.9 quintals, potatoes--174.0, sugar beets--340, oil-bearing plants--22.3, and meadow hay--62.6 quintals. This is 2-9 percent more than in 1983. We obtained approximately 20 percent more of all kinds of farming products (except potatoes) than the average for 1976-1980. The harvest of vegetables amounted to a total of 5.3 billion tons and was approximately 21 percent higher than in 1983.

The results of crop growing had a positive effect on the production of animal husbandry products, particularly the increased domestic resources of grain crops and potatoes and the increased profitability of propagating agricultural animals.

While in 1981-1983 the number of head of livestock, particularly hogs, decreased, in the autumn of 1984 there were signs of a slow restoration of their numbers.

Meat (in slaughtered weight) amounted to 2.3 million tons more, or 0.7 percent more than in 1983, milk--16.3 billion liters or 4 percent more, and eggs--8.1 billion, that is, 5 percent more.

State procurements of agricultural products (in fixed prices) increased by 3.6 percent, and in the socialized sector--by 8.4 percent and in the nonsocialized sector--by 1.9 percent.

As a result of the fulfillment of the state program agriculture was better supplied with machines and equipment and also with spare parts for agricultural machines. In 1984 they delivered 63,500 tractors or 2.5 percent more than in 1983. Agriculture received 4.6 million tons of feeds from state resources, that is, 21.2 percent more. Deliveries of artificial fertilizers (translated into pure nutritive substance) amounted to 3,357,000 tons, that is, they increased by 9.6 percent. At the same time, there was a reduction in the deliveries of means of plant protection.

Socialized transportation enterprises shipped 1,122,700,000 tons of cargo, that is, 3.4 percent more than in 1983. Cargo shipments increased on all kinds of transportation except for automotive. The cargo turnover on transportation amounted to 354.4 billion ton-kilometers, increasing by 0.5 percent.

Electricity was provided for 479 kilometers of railroad lines, and their distance at the end of the year reached 8,307 kilometers, that is, 34.1 percent of the overall distance of railroad lines with normal tracks.

In trading ports 56.5 million tons of cargo were loaded, that is, 21.7 percent more than in 1983, including transit cargoes--7.6 million tons or 16.9 percent more.

State transportation was used by 3,476,000,000 passengers, which is the same as in 1983. There were increases in shipments by water (28.0 percent), air (27.4 percent) and general purpose automotive transportation (0.3 percent); there was a reduction in the transportation of passengers by railroad (0.6 percent) and along the rivers (13.1 percent).

The population was offered 87.7 billion zlotys' worth of services, that is, 6.7 percent more than last year. At the end of the year there were 2,348,700 people with telephones, an increase of 131,700 (5.9 percent).

The investment activity was characterized by a higher volume of realized capital investments than was planned, the maintenance of incomplete construction at the 1983 level, and also an increase in frozen funds. In the socialized sector capital investments amounted to 1.335 trillion zloty, including 854 billion zloty for construction and installation work and 410 billion zloty for purchasing machines and equipment. As compared to 1983 capital investments in the socialized sector (in fixed prices) increased by 10 percent, and in the nonsocialized sector they remained at the same level, while on the whole for the national economy the increase was approximately 8 percent.

At the end of the year frozen capital investments in uncompleted objects reached 1.6 billion zloty. Under modern conditions, in order to complete them in the near future it will be necessary to spend more than 3 billion zloty.

In 1984 196,000 apartments were released for occupancy, that is, the level was the same as last year, including 141,000 in socialized construction and 55,000 in private construction. The assignments of the central annual plan in the socialized economy were fulfilled by 107.1 percent, and in the nonsocialized

sector--by 91.9 percent, that is, with fewer apartments released for occupancy than was planned.

A number of social facilities were put into operation, particularly 4,900 hospital beds, 450 beds in sanatoriums, 851 spaces in homes for social assistance and invalids, 115 polyclinics and public health points, 1,700 spaces in children's day nurseries, 23,700 spaces in kindergartens, 2,600 accommodations for training in general educational and vocational schools, 290 work positions in school shops and 2,200 work positions in boarding schools.

In 1984 the basic output from socialized construction and installation enterprises amounted to 958.6 billion zloty (in fixed prices), that is, 6.9 percent more than in 1983 and 6.7 percent more than was envisioned by the central annual plan. The overall number of people employed in the sphere amounted to 917,900, 4,900 (0.5 percent) more. The basic output per one employee increased by 6.4 percent.

Foreign trade turnover (in current prices) reached 1,334,100,000,000 zloty for exports and 1,211,000,000,000 zloty for import. As compared to 1983 this means an increase (in fixed prices) of 9 percent. In commodity turnover with the socialist countries exports increased by 5.5 percent and imports--by 5.9 percent; and with capitalist countries--12.4 and 13.2 percent, respectively.

The assignments of the central annual plan for exports to socialist countries were overfulfilled by 3.8 percent, and for imports from capitalist countries--by 4.8 percent. The plans for exports to capitalist states was fulfilled by 97.6 percent, and in it there was an increased proportion of fuel and energy, and products of the chemical, mineral, wood-processing and paper industries, the food industry and agriculture; there was a smaller proportion of items from electric machine building.

In Polish imports there was an increased proportion of items from electrical machine building, metallurgy, the food industry and agriculture; there was a reduction of the proportion of fuel and energy and goods from the chemical and light industry.

Financing imports with internal funds of the enterprises has become more and more important, mainly from the so-called currency deductions from the incomes from exports to capitalist countries.

The monetary and market situation was characterized by an increase in monetary incomes and expenditures of the population, higher prices, and also an inadequate supply of goods and services.

According to data from the Polish National Bank, monetary incomes of the population increased by 19.6 percent as compared to 1983, and expenditures--by 21.2 percent. The average monthly remuneration increased by 20.2 percent, amounting to about 16,900 zloty, and the average monthly stipend for pensioners and invalids--by 21.9 percent, amounting to 8,500 zloty.

The higher retail prices in socialized trade in 1984 and also the consequences of the price changes in 1983 brought about a higher cost of living for individual groups of the population by 15-17 percent.

The retail sales of goods in socialized trade increased in current prices by 19.5 percent. Retail prices for goods and services increased by an average of approximately 15 percent as compared to 1983. This price increase was held at the level envisioned by the plan for 1984.

The volume of retail commodity turnover in fixed prices was approximately 6 percent higher than in 1983, and the sale of foodstuffs--approximately 2 percent higher, and the non-foodstuffs--8 percent higher.

The value of commodity supplies in the trade network at the end of 1984 exceeded the level for the same period of 1983 by 29.3 percent. Of the overall value of these supplies 15.8 percent was for foodstuffs and 79.5 percent for nonfood commodities. But they did not provide for continuous sale of goods.

Expenditures from the state budget on social and cultural measures in 1984 are presented in Table 3.

Table 3

	<u>Billions of zlotys</u>	<u>1984 in % of 1983</u>
Education and rearing	331.6	129.9
Including higher education	67.0	121.7
Culture and art	52.3	125.2
Public health and social security	338.4	128.7
Physical culture, sports, tourism and recreation	15.4	112.6
Total	737.7	128.6

During the 1984/85 school year there were 7 million people studying in all types of schools, that is, about 19 percent of the population. The number of youth continuing their training in schools above the primary level reached 435,700, which amounted to 97.2 percent of the graduates of primary schools. The majority of these young people (346,700), as in preceding years, were admitted to vocational schools.

In the VUZes 76.8 percent of the students studied in day divisions. The recruitment for the first year of training in VUZes for workers increased.

In 1984 a total of 5,117 book titles were published and also brochures with an overall total of 220.3 million copies. This means an increase of 14 percent as compared to the preceding year. The circulation of newspapers and magazines increased by 1.6 and 14.3 percent, respectively.

In 1984 for every 10,000 residents there were 19.2 physicians and 4.7 dentists, and the number of beds in hospitals increased by 2,300.

At the end of 1984 the population of Poland amounted to 37.1 million. The proportion of urban population in the overall number of residents increased from 59.7 percent in 1983 to 60 percent in 1984.

The results of the country's socioeconomic development in 1984 were achieved under difficult internal and external conditions. The lack of a market balance as a result of the economic difficulties in 1980-1982, Poland's large foreign indebtedness, the application of sanctions against Poland by capitalist countries, the strained international situation and the limitations on world economic ties because of this had a negative influence on carrying out the economic reform and more deeply restructuring the country's economy.

The progress achieved under these conditions in the stabilization of the economic balance was a confirmation of the consistent implementation of the decrees of the 9th Extraordinary Congress of the PzPR, which earmarked the way out of the political and economic crisis at the beginning of the 1980's.

#### Romania

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 6, Jun 85 pp 39-43

[Article by Nikolae Ionescu, chief of the Romanian Central Statistical Administration: "The Socioeconomic Development of Romania in 1984"]

[Text] The political executive committee of the Central Committee of the Romanian Communist Party noted at a meeting held on 31 January 1985 that the results of the implementation of the plan for 1984 are the most successful in the current five-year plan. They provided for continuous development of industry, agriculture and a number of other sectors in keeping with the intentions of the fourth year of the five-year plan. Material production and national wealth increased which created prerequisites for further improvement of the well-being and the overall level of civilization of the Romanian people.

These results are especially significant for they were achieved under difficult international economic conditions which in one way or another affected Romania as well.

Overcoming great difficulties, socialist Romania continued to conduct a policy of development and modernization of the material and technical base of the national economy and maintenance of a high norm of accumulation. This contributed to the advancement of material production, national income and public property, and the standard of living of the people.

An important feature of our country's socioeconomic development during the past year has been concentration of all efforts on areas that provide for intensification of the economy on the basis of extensive application of the achievements of the scientific and technical revolution for the purpose of accelerating the growth of economic effectiveness of all sectors of the national economy. The development and implementation of special programs for individual kinds of products, branches and kinds of production have led to new

successes in intensive development of the national economy and improvement of the qualitative indicators of economic advancement, which has contributed to the achievement of higher growth rates than were achieved in the first 3 years of the five-year plan.

Steadily following a course toward advancement and modernization of industry, optimal determination of its profile, integration and specialization, in 1984 new objects were put into operation and important work was done for reequipment for existing capacities. Thus we provided for growth of the technical and production potential both in industry as a whole and mainly in its leading branches--electronics and electrical equipment, precision mechanics and optics, and the output of hydraulic and pneumatic fittings and elements, improved machine tools, complex equipment and installations in the chemical industry--small-tonnage and for precision synthesis. The measures that were taken created conditions for further improvement of the structure of industrial output and increased economic effectiveness in all areas of economic activity.

The fact that industry continued to be a factor in the acceleration of the development of the entire national economy stood out sharply in the context of these realities. In 1984 the commercial industrial output increased by 6.7 percent as compared to 1983, which exceeds the indicators of the first 3 years of the five-year plan. Here it should be especially noted that the process of adapting the structures of industrial output to the new requirements of economic development began to take place more rapidly.

The successes of economic development in 1984 are also evidenced by the fact that as compared to 1983 the growth rates increased in branches with a high technical level and economic effectiveness. In precision mechanics and optics, for example, they amounted to 20 percent, in the production of computer equipment--13.2 percent, metal processing machine tools--10.1 percent, and chemical fibers and threads--19.4 percent. This is a result of the great efforts directed toward implementing the policy conducted by our party and state in the area of steadily changing the entire production process over to a new and higher level. It has the goal of creating a modern, highly effective structure of the national economy as a whole, improving the technical and qualitative level of the products, reducing expenditures of raw materials, fuel, energy and processed materials, and assimilating them more and more completely.

In keeping with the special programs adopted by the party for accelerated development of the energy base in order to provide energy independence for the country and also independence with respect to raw material, in 1984 geological prospecting work was intensified. New mines and drilled wells were put into operation. This made it possible to bring new mineral resources into economic circulation. The year 1984 was also marked with significant achievements in the utilization of renewed sources of energy, secondary raw and processed materials, secondary application of energy and restoration of parts and components. This made it possible to cover the needs of the national economy with internal resources to a considerable degree.



Successful implementation of the special programs contributed to the advancement of production and the growth of the sold output as compared to 1983.

We achieved good results in implementing the program adopted by the party for acceleration of the growth of labor productivity and improvement of its organization and norm setting. This indicator in the republic's industry, calculated on the basis of the commercial output, increased by 7.1 percent in 1984. It is especially important that the entire increase was obtained as a result of the implementation of a complex of measures for introducing technical progress applying mechanization and automation on a broader scale, improving the organization of production and labor and increasing the skills of labor personnel.

Another program for reducing production costs and material expenditures is being carried out successfully. The main thing here is the reduction of proportional expenditures of raw materials, processed materials, fuel and energy. Because of this the overall outlays per 1,000 lei of commercial output in the republic industry decreased by 9.3 lei, including material expenditures--by 6.1 lei.

The achievements of Romanian industry in 1984 convincingly prove that our technical potential and the capabilities of our specialists--workers, technicians and engineers--make it possible to cope with the new requirements for growth of the national economy and provide for including Romania among the countries with medium-developed economies.

The country also achieved considerable successes in agriculture in 1984. This was the result of the new agrarian revolution, the implementation of special programs directed toward increasing the output of crop growing and animal husbandry, the development and modernization of the material and technical base, and the introduction of new technologies. In spite of the difficult climatic conditions, in 1984 the gross yield of grain crops amounted to 1,042 kilograms per capita. There was also considerable growth of the number of head of cattle as well as the production of meat, milk and other animal husbandry products.

Large-scale plans were carried for modernization of the material and technical base of agriculture. The fleet of tractors increased by 18,400 units, and self-propelled grain-harvesting combines--by 4,800. As a result, by the end of the year the branch had more than 174,000 actual tractors and 58,000 grain-harvesting combines. Last year a large quantity of other kinds of domestic machines and equipment of a high technical level were also in operation on the fields.

In keeping with the national program for providing for reliable and stable production of agricultural products, a complex of land reclamation work was carried out on an area of 365,700 hectares, including the area put into operation in the spring of 1985, and irrigation work was done on 140,600 hectares. Thus agriculture has at its disposal 2,612,300 hectares of irrigated land and 199,500 hectares of land that is watered with small systems coming directly from the sources of water.

In order to increase the fertility of the fields we delivered approximately 1,288,800 tons of mineral fertilizers (100 percent active substance) and other necessary chemical processes.

The implementation of the entire complex of measures from special programs adopted by the party made it possible under the difficult autumn and spring conditions of the prolonged drought to obtain the largest yield in the history of Romania of grain crops, sugar beets, sunflower seeds, rape, autumn potatoes and vegetables from open ground. A decisive contribution to achieving this success was made by the considerable number of agricultural collectives who harvested from 5 to 8 tons of wheat and more than 20 tons of corn ears from each hectare. Generalization of the experience of the leading farms in order to carry out another agrarian revolution and obtaining large yields in keeping with the conditions created in this main branch of the national economy constitute a priority task for all cooperative members, specialists and machine operators.

In transportation and communications we are continuing to conduct measures for development and reconstruction, provision of the latest technical equipment, reduction of energy expenditures, optimization of shipments and reduction of expenditures in keeping with the assignments envisioned by the special programs.

We are continuing to build and improve the Bucharest subway--the most modern and effective kind of transportation. Created through the efforts of our own people, in 1984 it transported 90.9 million passengers, which is 41.1 percent more than in 1983. We have also continued to equip other kinds of transportation. They have received a large number of new steam engines and electric engines, commercial and passenger cars, and maritime and river ships. The distance of electric railroad lines has exceeded 3,000 kilometers.

Improvement of the material and technical base for all social and economic life and all branches of the national economy has required a considerable volume of capital investments, which reached 244.7 billion lei in 1984, which is 6.1 percent more than in 1983. New facilities were put into operation for expanding the domestic raw material and energy base, for utilizing secondary raw materials, for developing the municipal services sector, and so forth. Of the overall volume of capital investments 50 percent were directed to industry for the creation of new and the modernization of existing production capacities, 18 percent--agriculture, forestry and water management, 12 percent--transportation and communications, and 12 percent--housing and municipal services.

An immense construction project which is of the greatest economic significance is the Danube-Black Sea Canal which was festively opened in May 1984. A main shipping line with a distance of 64.2 kilometers, it is a historic manifestation of the courage, diligence, ability and heroism of the Romanian people in carrying out this extremely large project.

Because of the canal water shipments between the ports of Cernavode and Constanta have been reduced by almost 400 kilometers, the economic and social

life of this part of the country is rising to a new level, and thus additional prerequisites are being created for the development of international cooperation.

In 1984 special attention was devoted to scientific research and technological development. In the foreground were such immediate problems as expansion of our own raw material, energy and fuel base, improvement of production technology, assimilation of new kinds of products and materials, and continuous increase in the degree of mechanization, automation and electronization of production processes.

The development and implementation of measures for further development and modernization of the material and technical base of our socialist society in the introduction of new technologies were reinforced by the results of scientific research. They contributed to the achievement of new successes in the growth and diversification of industrial and agricultural output and in the improvement of all production and economic activity. In 1984 1,400 advanced technological processes were introduced and 1,125 of them began to be applied more extensively. This contributed to a considerable degree to the fuller utilization of raw materials, the reduction of material and energy expenditures, typization, norm setting, standardization and the rise in the technical and quality level of items, as well as increased economic effectiveness in all branches of activity.

It should be noted that more than 95 percent of the technologies utilized in 1984 in capital construction were based on our own ideas. New technologies and also 370 systems of mechanization and automation which became widespread in production contributed to increasing labor productivity in the republic's industry by approximately 50 percent.

Because of the efforts of our researchers and designers, in 1984 3,450 kinds of new and modernized machines, equipment, instruments and installations with high parameters were introduced into production, and also 890 new materials and consumer goods. In the structure of the products sold in 1984 in the processing branches of the republic's industry 39 percent were items which were new or modernized since the beginning of the five-year plan.

Approximately four-fifths of our scientific, technological, research and engineering potential were concentrated on carrying out the tasks envisioned by the special programs, which made an essential contribution to the improvement of technologies for processing raw materials, the creation of new synthetic materials with improved characteristics, the development of production in the area of nuclear energy, the aviation industry, polymer chemistry and precision synthesis, and the implementation of programs for automation and the introduction of electronics and robots into production processes.

Scientific research played an important role in modernizing agriculture, improving the fertility of the soil, and creating new, highly productive and more resistant and early strains of seeds and plants, highly productive breeds of livestock, and new technologies for fattening them. Special attention was

also devoted to future fundamental research in the area of physics, chemistry, biology, mathematics, medicine, and economic and sociopolitical sciences.

The growth of the country's economic and scientific potential contributed to increasing foreign trade turnover. In 1984 it exceeded the 1983 indicators by 13.6 percent. There was further development of trade relations with the socialist countries, mainly with members of the CEMA, and also with developing states and with all other countries of the world. The active trade balance amounted to 3.1 billion dollars. Foreign trade indebtedness decreased correspondingly. These results, which were achieved under the unfavorable conditions of the foreign market, the economic crisis and the continuing practice of demanding excessively high interest on credit, are evidence of the correctness and the feasibility of the entire economic policy of our party and state as well as the consistent measures for increasingly active participation by Romania in international division of labor, in expansion and diversification of economic exchange and in deepening scientific-technical and production cooperation with all countries of the world.

The modernization and development of our industry is also shown by the fact that 58 percent of the overall volume of exports consisted of machines, equipment, means of transportation, chemical products and industrial goods for widespread consumption, that is, goods with a high degree of processing.

As we know, the generalizing indicator of the development of the economy is the volume of national income. In 1984 in Romania it reached 709 billion lei and exceeded the 1983 level by 7.7 percent. This provided funds both for implementing the programs for the country's socioeconomic advancement and for increasing the incomes of the population in keeping with the party program in this area.

On 1 August 1984 we completed the increase in the salaries of all categories of working personnel, and also the increased increments for continuous service at the same enterprise, deposits into the fund for the participation of workers in product sales, profit and the distribution of profit, and contributions to the annual bonus fund and the fund for bonuses for special achievements, and also for stimulating exports.

By the end of 1984 the average monthly nominal earnings of working personnel amounted to 2,925 lei. Because of the price index and wage rates, the increase in real earnings was lower than the planned 6 percent as compared to 1980. Monetary incomes of the peasantry from labor in agricultural production cooperatives and from the sale of foodstuffs to socialist organizations increased by 2.9 percent. The real incomes of the peasants per one active person increased by 11.4 percent as compared to 1980. All categories of pensions also increased. While maintaining the stability of crisis, the actual growth here amounted to 6 percent.

Retail commodity turnover through enterprises of socialist trade exceeded 272 billion lei and were 4.8 percent greater than in 1983. Because of the implementation of the program for self-management and self-supply, which is directed toward fuller provision of the population with foodstuffs and industrial consumer goods, the commodity fund intended for the population

began to be distributed more efficiently among the districts and population points.

The funds allotted from the state budget for financing sociocultural measures in 1984 amounted to 86.8 billion lei, or 5.2 percent more than in the preceding year. Important measures were conducted in order to develop and improve education of all levels and to expand and diversify activity in the areas of culture, art, public health, and also to improve the building up of cities and villages.

In 1984 the population received approximately 131,900 apartments, including 122,500 from the funds of the state and cooperative organizations. There were also 9,900 accommodations in dormitories for people without families. A number of measures were taken for further improvement of the conditions for the recreation of the workers.

All these successes are the result of the self-sacrificing labor of the working class, the peasantry and the intelligentsia--of all Romanian people. Tightly rallied around the party and its general secretary, Comrade Nicolae Ceausescu, they have devoted all their energy to achieving the fulfillment of the tasks for socioeconomic development in 1984, thus confirming the correctness and feasibility of the policy of the Romanian Communist Party, whose highest goal is the socioeconomic flourishing of our homeland and a higher material and spiritual level of life for the population.

This showed with new force the resolve and the high responsibility with which the workers are acting to steadily implement the party program for creating a comprehensively developed socialist society, and advancing Romania toward communism, in order to carry out the historic decisions of the 8th Congress of The Romanian Communist Party.

While noting the achievements in carrying out the main tasks of 1984, the party general secretary at a meeting of the political executive committee also indicated that they could have been much greater if measures had been taken in all sectors of activity with all resolve and responsibility in order to implement the decisions of the party and the laws of the country pertaining to the fulfillment of the plan for socioeconomic development. Comrade Nicolae Ceausescu emphasized that despite the results achieved last year, which demonstrate the great capabilities of our national economy, in certain sectors there continued to be serious shortcomings in the organization of production and labor. This led to incomplete utilization of the technical and human potential, to a failure to observe the time periods for the startup of new capacities, and to inadequate assimilation of material resources and reduction of expenditures. As a result certain indicators of the plan were not fulfilled, mainly with respect to the physical volume of products that were produced, which created difficulties in providing raw materials, processed materials, energy and fuel for a number of branches of industry. There were also negative consequences for the export trade fund and complete realization of the plan for capital investments. In this connection central and local party and state agencies and all collectives of workers headed by communists have been given the task: to act energetically to eliminate the shortcomings and raise all activity to a higher degree of quality and effectiveness.



The results achieved in the country's socioeconomic development in 1984 are a firm basis for steady fulfillment of the assignments of the plan for 1985--the final year of the current five-year plan--for carrying out the great tasks envisioned by the documents adopted by the 13th Party Congress. In 1985 as before special attention is being devoted to the development of the energy and raw material base and the fulfillment of special programs for raising the technical and quality levels of production, increasing labor productivity, reducing material and energy expenditures, steadily applying the principles of the new financial and economic mechanism, workers' self-control and self-management, and acceleration of the advancement of the effectiveness of all socioeconomic activity.

In industry this year is characterized by intensive development and the output of individual new items with improved quality which satisfy the needs of all branches of the national economy. A considerable contribution is being made for scientific research and technological development to the solution of cardinal problems, public education is improving steadily, and the occupational, technical, scientific and cultural training of all workers is improving.

In agriculture efforts were directed toward implementing the national program for providing for reliable and stable harvests, which are leading to obtaining a considerably larger quantity of crop-growing and animal husbandry products in 1985. There is a continuing process of development and modernization of agriculture, a new agrarian revolution, and further improvement of working conditions and the life and way of thinking of the peasantry.

Romania's increasingly active participation in world economic turnover requires further expansion of the forms of cooperation, the conclusion of long-term agreements, and the insurance of the appropriate quality and technical level of items.

Improvement of activity in all branches of the economy leads to accelerated growth of the national income and, on the basis of this, to the implementation of measures for increasing the incomes and improving the quality of life of the workers of our socialist homeland.

All this requires decisive measures for constant improvement of all activity, for expansion of revolutionary workers' democracy, and for manifestation of initiative and creative activity of all workers and the development of a high sense of order, discipline and responsibility.

#### The USSR

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 6, Jun 85 pp 43-46

[Article by Vasiliiy Kudinov, deputy chief of the USSR Central Statistical Administration: "New Successes of the Economy"]



[Text] In 1984, the fourth year of the 11th Five-Year Plan, the Soviet Union achieved more success in economic and social development. Through the self-sacrificing labor of the Soviet people we provided for dynamism in the upsurge of public production, its increased scale and effectiveness, and improvement of quality indicators. In keeping with the course adopted by the communist party, national well-being improved. Let us give the indicators which characterize the main results of the year (1984 in percentages of 1983).

National income used for consumption and accumulation	102.6
Industrial output--total	104.2
Including:	
Production of means of production	104.1
Production of objects of consumption	104.3
Agricultural output	100
Cargo turnover on all kinds of transportation	102.9
Startup of fixed capital	103
Capital investments	102
Number of workers and employees	100.6
Labor productivity:	
In industry	103.8
In agriculture (public production)	101
In construction	103.1
In rail transportation	102.0
Profit in national economy	103.2
Real per capita incomes	103
Wage fund in national economy	102.9
Average monetary earnings of workers and employees	102.5
Wages of kolkhoz workers on public kolkhozes	103
Payments and benefits to the population from public consumption funds:	
Total	103.5
Per capita	102.6
Retail commodity turnover in state and cooperative trade	104.2
Volume of sales of consumer services	105.8
Introduction of overall area of residential space	100.5
Foreign trade turnover	109

Behind these indicators stand the absolute data which characterize the growing scale of the economy of developed socialism.

The volume of national income used for consumption and accumulation, for example, which most fully reflects the dynamics of socialist expanded reproduction, in 1984 amounted to 496 billion rubles (in comparable prices) and increased by 12 billion rubles over 1983. This entire increase was used for improving the well-being of the people.

Products of the leading branch of the national economy--industry--increased by 31 billion rubles during this period and reached 783 billion rubles (in wholesale prices of the enterprises as of 1 January 1982).

In spite of the unfavorable weather conditions the production of agricultural products reached 135 billion rubles, which exceeds the average annual volume for the 3 preceding years of the five-year plan by 7 billion rubles.

As a result of the implementation of the construction program the economic potential continued to grow. During 1984 170.9 billion rubles' worth of fixed capital (in estimated prices for 1 January 1984) were put into operation, which is 4 billion rubles more than in 1983.

The average annual number of workers and employees reached 116.7 million, and kolkhoz workers (public economy)--12.9 million. Under the conditions of a planned socialist economy, as in preceding years, we provided for complete employment of all able-bodied population.

Last year large measures were taken for further improvement of the economic mechanism. Let us recall that a considerable position among them was occupied by the economic experiment in industry and other branches of the national economy. The application of collective forms of organization and payment of labor was expanded. The brigade contract was further developed.

The realization of the strategic party line toward increasing the effectiveness of public production was also reflected in the improvement of the utilization of material, labor and financial resources. Thus 94 percent of the increase in national income and the savings of the labor of 3 million people were achieved as a result of increased productivity of public labor.

Improvement of the organization of nationwide socialist competition and further development of socialist democracy contributed to increasing the activity of the workers and expanding their participation in management. The majority of production collectives coped successfully with their socialist commitments for above-plan increase in labor productivity by 1 percent and a reduction of production costs by 0.5 percent. At the same time a number of enterprises and associations failed to fulfill the assignments and commitments they had made.

Foreign economic ties continued to develop. Commodity turnover with other countries amounted to 139.7 billion rubles, or increased by 9 percent as compared to 1983. As in preceding years, a large part of the foreign trade involved socialist states. In keeping with the decisions of the high-level economic conference, cooperation with the CEMA countries was expanded and deepened.

As we know, one of the most important factors in increasing the effectiveness of the national economy is extensive and accelerated introduction of the achievements of scientific and technical progress in the branches of material production and the nonproduction sphere. On the basis of the course adopted by the 26th CPSU Congress, there was a continuation of the technical reequipment of all branches on the basis of the introduction of new technical equipment and progressive technology. The most important scientific and technical programs were implemented.

In 1984 3,800 models of new types of machines, equipment, fittings, instruments and means of automation were developed. More than 11,000 mechanized flow lines and automated lines were installed at industrial enterprises. More than 5,000 productions, shops and sections were changed

over to comprehensive mechanization and automation. About 700 automated systems were created for accounting, planning and management, including about 600 ASU's for technological processes. The national economy used more than 24,000 inventions and about 4 million efficiency proposals. We registered 15 scientific discoveries.

Special attention was devoted to the introduction of highly productive technical equipment and the improvement of technology. We introduced 10,500 metal-cutting machine tools with numerical program control and we created 75 model demonstration sections and shops that were equipped with industrial robots and 19 comprehensively mechanized sections controlled by computers for mechanical processing of parts.

Energy- and resource-saving technologies and the latest equipment were extensively assimilated in such key branches as energy engineering, petroleum processing and the chemical industry, ferrous metallurgy, the construction materials industry, and so forth.

In agriculture there was further dissemination of industrial technologies which are oriented toward guaranteed stably high yields and the most effective utilization of resources. This required harder work on the part of selection workers for isolating and extensively applying new strains and hybrids of plants.

Technical support for transportation improved. At the present time about 50 percent of the cargo turnover on rail transportation was carried out with electric locomotion. Shipments in containers on maritime transportation increased by 14 percent, and rail transportation--by 7 percent. The proportion of trucks operating on diesel fuel increased. This produced a great savings on fuel and lubricants. A considerable part of the volume of passenger transportation was provided by Aeroflot using modern high-speed and comfortable airliners.

The industrial associations and enterprises fulfilled the annual plan for product sales by 101.5 percent. The overall volume of products increased by 4.2 percent in 1984 as compared to 1983. This is higher than the average for the 3 preceding years of the five-year plan.

As was earmarked by the 26th CPSU Congress, the leading branches developed at more rapid rates: electric energy engineering, machine building, metal processing, and the gas, chemical and petrochemical industry. Indicators were especially high in productions that determined scientific and technical progress--electronics, microprocessor equipment and robot equipment. The task set by the communist party of providing for more rapid rates of growth of objects of consumption (products of group B) is being successfully carried out.

Acceleration of the rates of increase of labor productivity is especially important for intensification of public production. Its increase in industry, for example, amounted to 3.8 percent in 1984 as compared to 3.6 percent in 1983. It is extremely important that 93 percent of the increase in output here was achieved as a result of this indicator. Another thing is no less

important: in industry as a whole and in the majority of ministries the increase in labor productivity outstripped the increase in wages.

The overfulfillment of assignments in this area, the economy on material resources and a number of other measures implemented in recent years made it possible to exceed planning assignments for reducing production costs and increasing profit as well. As a result of the above-plan reduction of production costs in industry more than 2 billion rubles were saved.

Technical and economic indicators improved as did the quality of the items that are produced. The proportion of items in the highest quality category amounted to 43 percent of all the products subject to certification.

As we know, in 1984 a large-scale economic experiment was conducted in five industrial ministries. It was directed toward expanding the rights of production associations (enterprises) in planning and management, and toward increasing their responsibility for the results of their work. As the results of 1984 show, their activity improved. There was a higher level of fulfillment of contractual commitments in the ministries of heavy and transport machine building and the electrical equipment industry. The full volume of commitments for deliveries were fulfilled by associations and enterprises of the following ministries: the food industry of the Ukraine, light industry of Belorussia and local industry of Lithuania.

While the results of the work of industry as a whole were positive, individual associations and enterprises did not fully take advantage of the existing possibilities, did not cope with the assignments for labor productivity, production cost and accumulation, and produced low-quality products.

In agriculture last year was marked by the fulfillment of assignments of the USSR Food Program which was adopted by the May 1982 Plenum of the CPSU Central Committee. The agricultural workers had to work under difficult conditions. The successes in animal husbandry are even more gratifying. They obtained more of all kinds of products (on all categories of farms). Meat production (in slaughtered weight) increased from 16.4 million tons in 1983 to 16.7 million tons in 1984, milk--from 96.4 million to 97.6 million tons, respectively, eggs--from 75.1 billion to 76 billion, respectively, and wool (in physical weight)--for 462,000 to 463,000 tons, respectively. The plan for procurements of animal husbandry products was overfulfilled, which provided for improvement of the supply to the population.

The achievements of farming were appreciable in many oblasts of the RSFSR, the Ukraine, Belorussia, Georgia, Azerbaijan, Lithuania, Moldavia, Latvia, Armenia, Turkmenistan and Estonia.

State grain resources fully provided for the supply of the population with bread and bread products.

Because of the self-sacrificing labor of agricultural workers we provided for the profitability of the production of the main kinds of agricultural products. In 1984 the profit of the kolkhozes and sovkhoses exceeded 18 billion rubles.

At the same time a number of kolkhozes and sovkhoses failed to fulfill the plan for the sale to the state of farming and animal husbandry products. Reserves for increasing production were not sufficiently utilized and there was idle time of technical equipment, losses of agricultural products and nonproductive expenditures.

In 1984 there continued to be further development of the country's unified transportation system. The cargo turnover from all kinds of transportation amounted to 7.7 trillion ton-kilometers and increased by 2.9 percent as compared to 1983; passenger turnover reached 991 billion passenger-kilometers and increased by 2.1 percent. The highest rates of increase in cargo turnover (16 percent) were provided in the main gas lines.

A large program of capital construction was carried out in 1984. About 200 new state industrial enterprises were put into operation. Among them were the Kalininskaya and Zaporozhskaya AES's, and the Urengoy--Tsentral main gas line and the Belorussian Metallurgical Plant were put into operation ahead of schedule. Construction was completed ahead of schedule on the main track of the Baykal-Amur railroad arterial, and it was opened up for the traffic of trains throughout the entire distance. Reconstruction and technical reequipment of existing enterprises were carried out on a broad scale.

Capital investments in the national economy from all sources of financing exceeded 173 billion rubles. About 30 billion rubles were used for technical reequipment and reconstruction of existing enterprises, which is 5 percent more than in 1983. The amount of incomplete construction decreased somewhat.

But the plan for the startup of fixed capital and the number of production capacities was not fulfilled. Many construction organizations did not keep up with the plan for commercial construction output, the volume of contracting work, the growth of labor productivity and the reduction of production costs.

The construction of integration objects continued on the territory of the USSR in 1984. Among these 25 were put into operation.

For example, the 750-kilovolt electric power transmission line from the Khmel'nitskaya AES (USSR) to Zheshuv (Poland) on the section up to the USSR border with a distance of 281.4 kilometers. At the Yuzhno-Ukrainskaya AES they have put into operation a second energy block with a capacity of 1 million kilowatts. At the Stoylenskaya Ore-Enriching Combine they have put into operation capacities for extracting 2.5 million tons of crude iron ore and producing 2.7 million tons of iron ore concentrate, and at the Mozyr plant--for producing 90,000 tons of nutritive yeasts and a number of other objects. This makes it possible to improve the supply of the involved CEMA countries with electric energy, metallurgical raw material and other material resources.

In keeping with the social program adopted at the 26th CPSU Congress, the well-being of the people continued to improve. In this connection it is important to note that in 1984 three-fourths of the national income was used for consumption and, taking into account expenditures on housing and



sociocultural construction, four-fifths of the national income was used for the national well-being.

The growth of the real incomes of the population accelerated. In carrying out the decisions concerning the reform of the general educational and vocational schools, beginning on 1 September 1984 the wages were increased for a number of categories of workers in public education.

Salaries were increased for specialists and employees of sovkhozes and other state agricultural enterprises of the RSFSR, Belorussia and Kazakhstan. Wage rates and salaries increased for workers and employees of the coal (shale) industry and mine construction. The average monthly monetary earnings of workers and employees in the national economy amounted to 185 rubles, and the wages of kolkhoz workers--145 rubles.

Payments and benefits from public consumption funds amounted to 139.5 billion rubles, or 4.7 billion rubles more than in 1983. Taking this into account the earnings of workers and employees increased from 254 rubles to 260 rubles a month.

There was further development of trade and consumer services.

From all sources of financing residential buildings were constructed with an overall area of 113 million square meters or more than 2 million new well-arranged apartments. Housing conditions were improved for 10 million people.

The country of the soviets has entered 1985, the final year of the 11th Five-Year Plan. This is a year of direct preparation for the next, 27th CPSU Congress, the 40th anniversary of the great victory of the Soviet people in the Great Patriotic War of 1941-1945, and the year of the 50th anniversary of the Stakhanovite movement.

Speaking of the most important tasks facing the party and country in the modern stage, General Secretary of the CPSU Central Committee, Comrade M. S. Gorbachev, noted:

We shall have to take a decisive step in changing the national economy over to intensive development. We must and are obliged to achieve the most advanced scientific and technical positions and a high world level of productivity of public labor in short periods of time.

"In order to carry out this task successfully and quickly, it is necessary to continue to persistently improve the economic mechanism and the entire system of management. Proceeding along this path and selecting the optimal decisions, it is important to apply creatively the fundamental principles of socialist management. This means to carry out the planned development of the economy unwaveringly, to reinforce socialist property, to expand the rights and to increase the independence and responsibility of the enterprises, and to strengthen their interest in the final results of their work. This means, in the final analysis, to subordinate all economic development to the interests of the Soviet people.



CSSR

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 6, Jun 85 pp 46-48

[Article by Vladimir Michka, chairman of the Federal Statistical Administration of the CSSR: "On the Basis of Increased Effectiveness"]

[Text] The positive tendencies observed in preceding years were also typical of the development of the Czechoslovakian national economy in 1984. The results that were achieved contributed considerably to the successful adherence to the course in the area of economic and social policy which was earmarked for the 7th Five-Year Plan.

The growth rates in industry, construction, agriculture, transportation and other branches of the national economy exceeded those which were planned. The overfulfillment of the plan for increasing material resources was achieved with a reduction of the proportional expenditure of raw materials, processed materials, fuel and energy. The increased influence of factors of intensification had a positive effect on the development of the country's economy.

The accelerated dynamics and the increased effectiveness of industry, construction and agriculture in 1984 brought about an increase in the produced gross national income of 3.2 percent (preliminary figures) as compared to 1983. Industrial output increased during this period by 4.0 percent, and agricultural output--by 3.6 percent. A record gross yield of grain crops was achieved. The volume of construction work increased by 1.9 percent as compared to 1983. On the scale of the entire national economy there was a reduction of the demand for cargo shipments.

The acceleration of the dynamics of the growth of industrial output as compared to the plan contributed to successfully carrying out new structural changes. There was more rapid development of such leading branches of industry as machine building, electronics, microelectronics, specialized chemistry and individual productions of the wood-processing industry. The most rapid rates of development--17.4 percent--were found in productions that were included in state target programs.

In construction testing of the capacities at certain of the most important production facilities began to be carried out in shorter periods of time. The acceleration of the rates of growth of the national income made it possible to provide greater allotments for purposes of capital construction as well, which made it possible to exceed the planned volume of capital investments.

In agriculture the output from crop growing increased more rapidly than from animal husbandry, mainly as a result of increased productivity of the grain crops. In animal husbandry, because of the improvement of the feed base which was brought about by the 1983 harvest, it was possible not only to fulfill, but also to overfulfill the plan for increasing the production of milk, meat and eggs. The level of productivity of agricultural animals that was reached

made it possible to overfulfill the annual assignments for the procurements of agricultural products.

The process of intensifying and increasing the effectiveness of the economy continued. Labor productivity increased, material-intensiveness and the proportion of wages in the production cost of products decreased, and the plan for profit was overfulfilled. More complete utilization of the economic and scientific-technical potential, labor resources, energy, raw and processed materials, the higher technical level and better product quality, and flexible adaptation of production to the changing demands of the domestic and foreign market still constitute a considerable reserve for further increasing the effectiveness of economic development.

Acceleration of the rates of economic growth has made it possible to increase the private and public consumption of the CSSR population again. In 1984 deliveries of goods on the domestic market increased, which, with the simultaneous increase in the monetary incomes of the population, affected the increase in personal consumption (an increase of 2 percent in comparable prices). The situation on the domestic market continued to stabilize. Retail commodity turnover increased by 3.0 percent as compared to 1983, that is, it was higher than envisioned by the plan. We provided for regular supply of the population with food products, but for certain kinds of industrial consumer goods it was not possible to fully satisfy the demand.

With full employment of men and a high level of employment of women the labor incomes of the population continued to increase. The amounts of social incomes received by the population in the form of payments for illness and old age pensions, and also stipends for families with children also increased. The real monetary incomes of the population increased by 1.6 percent in 1984 as compared to the preceding year.

The volume of the public consumption fund is a significant factor in raising the standard of living and strengthening the population's confidence in the future. It increased by 5 percent as compared to the preceding year. State funds allotted for education, public health and other services which are fully or partially financed by the state also increased. The number of residents per one physician decreased from 287 in 1983 to 281 in 1984. The planned assignments for housing construction were fulfilled in 1984: 90,900 apartments were released for occupancy. A large number of apartments were modernized and reconstructed, although this number was less than planned. The sociocultural infrastructure and the technical supply for a number of cities and other population points improved, and the measures envisioned by the plan for protection and improvement of the environment were carried out.

Foreign trade contributed to a considerable degree to the achievements in the development of the Czechoslovakian economy in 1984. In keeping with the plan, measures were carried out which were directed toward expanding the participation of the Czechoslovakian economy in international division of labor and socialist economic integration, for providing for greater balance in foreign trade relations, and for reducing indebtedness in convertible currency.

The assignments for exporting to the main regions of the world were overfulfilled and the plan for importing from the socialist countries was fulfilled. Imports from nonsocialist countries were regulated, depending on the availability of payment funds and the condition of capital construction.

Nonetheless we did not manage to raise the level of effectiveness of foreign trade. Nor did we manage to increase the exports of products from the processing branches, mainly machine building.

Trade with the socialist countries continued to contribute to deepening economic integration. The volume of Czechoslovakian foreign trade with these states in 1984 increased by 12.2 percent, and their share in this commodity turnover reached 78.3 percent.

In 1984 the CEMA countries accounted for 73.5 percent of the overall volume of Czechoslovakian foreign trade, as compared to 65.5 percent in 1980. Trade with the CEMA countries is expanding continuously and extremely dynamically. Reciprocal commodity turnover last year increased by 58 percent as compared to 1980. The volume of trade between Czechoslovakia and the Soviet Union is increasing especially rapidly. The Soviet Union accounted for 45.1 percent of Czechoslovakian foreign trade in 1984 as compared to 35.8 percent in 1980.

In 1984 the planning assignments for exports to the socialist countries were fulfilled and overfulfilled by all of the most important Czechoslovakian supplier branches. With a general overfulfillment of the planning assignments for export by 5.1 percent, the assignments were overfulfilled more significantly for exporting products of nonmachine-building branches (by 6.2 percent). Imports from the socialist countries increased by 2.1 percent over the plan.

In trade between Czechoslovakia and the Soviet Union all assignments for exports were fulfilled successfully. Of special significance was the overfulfillment of planning indicators for exporting products from machine building, metallurgy and agriculture. In the structure of reciprocal trade one can give a positive evaluation to the increased proportion of machines and equipment in the overall volume of exports and imports, with a reduction of the proportion of raw and processed materials.

In trade with nonsocialist countries exports increased more rapidly than was planned. As a result of increased exports of nonmachine-building products the plan for exports was fulfilled by 102.9 percent. In the territorial structure of exports there was a slight reduction in the proportion with developing countries. Deliveries to economically developed capitalist countries increased by 8.6 percent. Imports from nonsocialist countries amounted to 90.3 percent of the planned volume. The underfulfillment of the plan was observed mainly in imports of machines and equipment for capital construction.

The positive results in foreign trade with socialist countries were achieved to a considerable degree as a result of exchange of products from specialized and cooperative production (see table).

Table--Growth of Reciprocal Deliveries of Specialized Products  
Between CSSR and CEMA Countries

(millions of rubles)

	<u>1980</u>	<u>1984</u>	<u>1984 in % of 1980</u>
Exports	1358	2839	209
Imports	647	1372	212

The proportion of specialized products in the overall volume of Czechoslovakian exports to CEMA countries amounted to 21.8 percent in 1984 as compared to 20.7 percent in 1980. Exports of these products increased primarily to the USSR, Poland and Romania.

About 60 percent of the exports of specialized products were provided on the basis of multilateral and bilateral agreements within the framework of the CEMA. Here the majority (91 percent) is composed of machine-building products, and a considerable proportion--chemical products. The proportion of imports of specialized products and the overall volume of Czechoslovakian imports from the CEMA countries was equal to 12.6 percent.

Czechoslovakia's largest partner in economic cooperation, the Soviet Union, receives 73 percent of Czechoslovakian exports of specialized products, whose volume in 1984 increased by 18 percent, and the share in the overall volume of deliveries to the USSR amounted to 33.2 percent.

Agreements for specialization concluded with the Soviet Union are very significant for selling products of Czechoslovakian machine building and satisfying the demands for imported raw materials, processed materials and new technical equipment.

Meeting commitments under agreements for economic cooperation concluded with the USSR, Czechoslovakia exports to the Soviet Union metal-cutting machine tools, trucks, river ships, textile machines, ball bearings, equipment for atomic energy, and also such chemical products as paints, herbicides, medications and so forth.

Czechoslovakia's second largest partner in economic cooperation is the GDR, which accounts for 11 percent of the overall volume of Czechoslovakian exports of specialized products. Specialization in machine building has encompassed mainly the production of metal processing and textile machine tools as well as means of transportation. Important agreements have been concluded with the GDR concerning cooperation in the chemical industry and petrochemistry.

Machines and equipment also constitute a basis for exports of specialized products, mainly on a multilateral basis to the other CEMA countries.

Also important for Czechoslovakia are imports of specialized products from the fellow CEMA countries, particularly Bulgaria, Hungary and the GDR, which in

1984 exceeded the volume of Czechoslovakian exports of these products to these countries.

Last year the deepening economic cooperation with the socialist countries, mainly the Soviet Union, corresponded to the course and tasks earmarked by the 16th Congress of the Communist Party of Czechoslovakia for the 7th Five-Year Plan. This is a logical continuation of the path which Czechoslovakia has traveled confidently, beginning with the fulfillment of the first five-year plan which was drawn up on the basis of the general line for the construction of socialism in Czechoslovakia as earmarked by the 9th Congress of the Communist Party of Czechoslovakia in 1949.

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## SOCIALIST COMMUNITY AND CEMA AFFAIRS

### CEMA AID TO THE THIRD WORLD

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 6, Jun 85 pp 57-61

[Article by Aleksandr Korotayev and Oleg Chebotkevich, CEMA Secretariat: "Assistance to Liberated States"]

[Text] As was noted at the high-level economic conference of the CEMA countries, "they shall continue in the future to expand cooperation with developing countries, based on the fact that this will contribute to the advancement of the national economies and the strengthening of the economic independence of the aforementioned countries as well as to the development of mutually advantageous economic ties with them." The assistance from the CEMA countries to the liberated states is directed toward overcoming backwardness, strengthening economic independence, carrying out progressive socioeconomic transformations, strengthening their position in the world economy, freeing them from the yoke of imperialist monopolies and eliminating colonialism in all of its forms.

The development of socioeconomic ties between countries of the socialist community and former colonial and dependent states is proceeding so actively that it has become one of the remarkable phenomena in modern international life. At the beginning of the 1960's the CEMA countries were cooperating with 30 developing countries, in 1970--with 62, and at the beginning of 1985--with more than 100 of them. The overall volume of economic and technical assistance increased during these same years more than 20-fold. As a result, they have constructed and put into operation about 3,900 industrial enterprises and other facilities, including about 2,000 in Asia, more than 1,700 in Africa and about 200 in Latin America; and more than 1,000 are under construction or will be constructed in the near future in keeping with agreements and contracts that have been concluded.

Technical assistance is rendered primarily in the creation of national industry, energy engineering, transportation, the assimilation of natural resources, the construction of agricultural and other facilities, and also in



the training of national personnel. This contributes to strengthening the economic and political independence of the developing countries.

The production capacities of enterprises that are put into operation and constructed in these states with assistance from the CEMA countries make it possible each year to smelt more than 30 million tons of steel and 500,000 tons of aluminum, to extract more than 70 million tons of petroleum, and to obtain more than 50 million tons of petroleum products, 30 billion cubic meters of gas, 50 million tons of coal and about 15 million tons of cement. The capacities that have been put into operation at the electric power stations that have been constructed exceed 30 million kilowatts.

The assistance rendered by the CEMA countries in the development of their national economies is of great economic significance to the liberated states since the enterprises constructed in the key branches produce most of the products, for whose import considerable sums of foreign currency were previously spent. For example, the facilities put into operation in India with the participation of the fellow socialist countries produce about 40 percent of all the nonferrous metallurgy products, about 60 percent of the extraction and 50 percent of the processing of petroleum, 15 percent of the output of electric energy, and a considerable share of the heavy machine-building products. In Syria--100 percent of the extraction and processing of petroleum, phosphorus raw material and the production of nitrogen fertilizers, and more than 80 percent of the output of electric energy; in Iran--70 percent and Egypt--90 percent of the ferrous metallurgy products; in Afghanistan, Egypt and Iraq--60, 50 and 60 percent, respectively, of the overall output of electric energy.

In order to pay for the assistance the CEMA countries offer the developing countries long-term credit under beneficial conditions, usually for 15-20 years at a rate of 2.5-3 percent annually. As a rule, these pay for the planning work and equipment that is delivered as well as certain materials. The credit is paid back mainly with traditionally exported goods or products from the enterprises that are constructed.

For young states that are striving to create their own industry in historically short periods of time and to eliminate economic backwardness, preferential development of the state sector of the economy is of primary significance. This makes it possible to mobilize funds on a nationwide scale and use them for the achievement of the goals that have been set.

The rendering of assistance by the CEMA countries, including granting credit, is not linked to any political or other requirements which diminish the sovereignty or denigrate the national worth of the peoples of the developing countries. Industrial enterprises and other facilities constructed in these states are completely their own property.

A completely different policy is followed by the imperialist powers; they take advantage of foreign economic ties as means of political pressure and intervention into the internal affairs of other countries in order to dictate their will. Frequently the granting of technical and financial assistance and the participation of firms from developed capitalist countries in the

construction of one object or another is directed toward strengthening the positions of private capital to the detriment of the state sector and increasing the exploitation of the broad masses of workers in the developing states.

In the struggle for the economic independence of developing states a more important role is being played by their arrangement of extensive economic and scientific-technical ties with the CEMA countries which exhibit a true desire to help in the elimination of poverty, disease, hunger and illiteracy.

This cooperation is carried out both on a bilateral and on a multilateral basis, taking into account the real conditions, national peculiarities and desires of the liberated states. It is long-term and comprehensive in nature. It envisions the all-round development of the economies of these countries.

Long-term programs or agreements have been signed for economic and technical cooperation between Bulgaria and Libya and Mozambique; Hungary and Nigeria; the GDR and Angola, Algeria, Libya and Nigeria; Romania and Algeria, Angola, Egypt, Libya and Mozambique; the USSR and Algeria, Angola, Libya, Morocco, India and Ethiopia; Czechoslovakia and Nigeria, and so forth.

Countries of the socialist community have consistently acted and are still acting in support of the just demands of the developing states to disclose of their own natural wealth. They are rendering assistance in conducting large-scale geological prospecting work in Algeria, Angola, Afghanistan, Bangladesh, Guinea, Iraq, India, Morocco, Mozambique, Nigeria, Syria, the People's Republic of the Congo, Pakistan, Sri Lanka, Ethiopia and others. Here a national cadre of geologists, a scientific and technical base and conditions for studying the earth's interior are created through their own forces.

Specialists from the CEMA countries have discovered petroleum and gas deposits in Egypt, Afghanistan, Bangladesh, India and Syria; they have discovered large deposits of phosphorites in Egypt, Morocco and Syria; Bauxites in Guinea, Guinea-Bissau; polymetals in the People's Republic of the Congo, Egypt, Algeria, Afghanistan and so forth. They have participated in building up the petroleum areas in Algeria, Iraq, Libya, Syria and India.

The deposits of petroleum, gas and solid minerals that were discovered in developing countries with the participation of geologists from Bulgaria, Hungary, Romania and the USSR have served as a basis for creating such important branches of the national economy as ferrous and nonferrous metallurgy, petrochemical and petroleum processing, chemical, cement and the glass industry, the production of construction materials, and so forth.

The economic cooperation of the CEMA countries with Syria provides an opportunity for comprehensive development of entire branches of the country's economy and its increased export potential. The fellow socialist countries render broad technical assistance to Syria in the assimilation of its minerals. Soviet geologists have discovered deposits of phosphorites with overall supplies of about 1 billion tons, including free large ones in the region of Palmyra. Bulgaria, Poland and Romania have participated in the construction of enterprises for extracting and assimilating these deposits.

With the cooperation of Romanian organizations in the city of Homs they have built a plant for producing triple superphosphate with a capacity of 450 tons a year. In order to ship the phosphate concentrate from the region of Palmyra to the plant in Homs and also to export it, with assistance from the USSR they constructed the railroad Palmyra (phosphate mines)--Mhin--Homs--Akkari--the port of Tartus (285 kilometers).

In India the CEMA countries participated in laying the basis for a modern petroleum processing industry and put petroleum-processing plants into operation in Bharuni, Koyali, Mathura and Gauhati with an overall productivity of 17.4 million tons for processing crude oil each year. At the present time a petrochemical industry is developing on the basis of these plants. Through the joint efforts of Indian and Soviet organizations two large energy complexes are being created. One of them includes the large Vindychal TES with a capacity of 3,000 megawatts, the Nigahi coal mine with a productivity of 14 million tons of coal a year and an electric power transmission line; the second includes the Mukunda coal mine with a productivity of 12 million tons of coal a year, coal-enriching factories and a TES.

The creation of a hydroelectric energy complex in Iraq on the Euphrates River in the region of Haditha with a water reservoir, a GES with a capacity of 570,000 kilowatts and an electric power transmission line will make it possible to solve a number of important energy and agricultural problems, including expanding the area of irrigated land, and thus increasing the production of agricultural products.

The USSR and Czechoslovakia have begun to construct in Ethiopia a hydroelectric energy complex called Melka Wakama with a GES with a capacity of 150 megawatts. The introduction of this object will be of great significance, primarily in providing water for the arid regions and solving the food problem.

Large ferrous metallurgy enterprises have been constructed with assistance from countries of the socialist community: plants in India, in Bokaro and Bhilai (with assistance from the USSR) with capacities of 4 million tons of steel annually each; in Algeria, in el-Hadjar--2 million tons (with the participation of the USSR); in Egypt, in Helwan--1.5 million tons of steel per year (USSR). At the present time a number of large metallurgical complexes are being constructed and expanded.

Metallurgical plants are being constructed in India, in Vizagapatam, with a capacity of 3 million tons of steel a year (USSR), in Pakistan, in Karachi--1.1 million tons (USSR, Bulgaria, GDR, Poland, Czechoslovakia); in Nigeria, in [Adzhaokut]--1.3 million tons (USSR, Hungary, GDR, Czechoslovakia); a plant is being expanded in Iran, in Isfahan, with 0.5 million to 1.9 million tons (USSR, Bulgaria, Poland, Czechoslovakia), and in Turkey, in Iskenderun--with 1.0 million to 2.2 million tons (USSR, GDR, Czechoslovakia).

In the modern stage the economic and technical cooperation between the CEMA countries and the developing countries is oriented toward such promising forms as specialization and cooperation in the production and delivery of various kinds of industrial equipment, joint performance of construction and

installation work, and so forth, which makes it possible to utilize their potential capabilities more fully. This kind of interaction is especially active in the construction of metallurgical enterprises.

Thus with the expansion of the metallurgical plant in Iran the planning and deliveries of the basic equipment were done by the USSR, the planning work and provision of the medium-grade machine tool 500--by Czechoslovakia, and the medium-grade machine tool 300--by the GDR.

When the metallurgical plant was expanded in India, in Bhilai, to produce 4.0 million tons of steel a year, the basic equipment was delivered by Soviet organizations while Czechoslovakian enterprises did the planning and exported certain kinds of equipment.

When the metallurgical plant was constructed in Nigeria with assistance from the USSR, GDR organizations designed and exported batching equipment for the technological lines for the 150 and 320 machine tools, and they also provided supervision of the installation of the equipment, while Czechoslovakian organizations designed and equipped the 900/630 blank mills, including supervision of their installation.

Large nonferrous metallurgy facilities were put into operation in developing countries with assistance from the CEMA countries. Among them are the aluminum plant in Egypt, in Nag Hammadi, with a capacity of 166,000 tons a year (USSR); the aluminum plant in India, in Korba--100,000 tons (USSR) and the clay plant--200,000 tons (Hungary); the aluminum complex in Turkey, in Seydisehir--200,000 tons of clay, 60,000 tons of aluminum and 25,000 tons of rolled metal (USSR).

With the help of Soviet organizations in Algeria the Ismail enterprise was created for producing 317,000 tons of mercury a year and a lead and zinc enriching factory for processing 680,000 tons of ore a year. Bulgaria constructed the Kerzet Yusef Ore-Enriching Combine for processing 100,000 tons of lead and zinc ore a year.

The modern development of the economy would be impossible without a firm and reliable energy base. In this connection the CEMA countries are devoting a great deal of attention to cooperation with developing countries in the area of energy engineering. With assistance from the fellow socialist states more than 1,000 energy projects and objects of the energy infrastructure have been put into operation. Large energy facilities have been put into operation or are being constructed in Algeria, Afghanistan, Egypt, Argentina, Bangladesh, Brazil, India, Iran, Iraq, Libya, Morocco, Peru and other countries. The hydraulic energy complex in Syria on the Euphrates River which includes a dam that is 58 meters high and 4 kilometers long, a GES with a capacity of 800,000 kilowatts and a reservoir with a volume of 12 billion cubic meters, was constructed in conjunction with the Soviet Union. This facility is the largest in the Near East. It provides for about 60 percent of the country's needs for electric energy and the irrigation of more than 600,000 hectares of arid land.

The construction of the Aswan hydraulic energy complex in Egypt on the River Nile made it possible to satisfy more than 50 percent of the country's needs for electric energy, to irrigate hundreds of thousands of hectares of land, and to create a base for the development of energy-intensive branches of industry.

At the present time, with the participation of the USSR, Hungary and Poland, the large Isfagan TES with a capacity of 800,000 kilowatts is being constructed in Iran, and Soviet organizations are constructing another large TES, Ramin, with a capacity of 1.26 million kilowatts. In Iraq they have put into operation the Nasiriya TES with a capacity of 840,000 kilowatts and the Dukan GES with a capacity of 400,000 kilowatts. In Bangladesh the Gorazaltes with a capacity of 320,000 kilowatts is being expanded. In Pakistan, with assistance from the USSR and Czechoslovakia, they have constructed the Guddu GES with a capacity of 410,000 kilowatts. In India Soviet enterprises are constructing the first section of the large Vindhyachal TES with a capacity of 1.6 million kilowatts.

The CEMA countries are rendering extensive assistance to developing countries in the construction of enterprises of the gas, petroleum extraction, petroleum processing and chemical industries. In Afghanistan with the participation of Soviet organizations the Djarkuduk gas fields have been put into operation with a capacity of 1.5 billion cubic meters a year, and in Iraq--the northern Rumeyna oil fields with a capacity of 42 million tons a year. A contract has been signed with the USSR for doing drilling work at the Western Kurna deposit in order to create oil fields with a productivity of about 30 million tons of petroleum a year, which will make it possible to increase the country's capacities for extraction of petroleum by 15 percent.

The CEMA countries have assisted in putting into operation petroleum-processing enterprises for processing the following amounts of crude oil annually: the USSR--two plants in Egypt, in Suez and Alexandria, for 1 million tons, plants in Turkey, in Aliag--5 million tons of petroleum a year (its capacities are being expanded to 10 million tons), in India in Koyali and Barauni, for 3 million tons, in Mathura, 6 million tons, a plant in Ethiopia in Assab for 625,000 tons; Czechoslovakia--two plants in Iraq, in Basra and Beyri, for about 10 million tons; a plant in Syria, in Homs, for 5.2 million tons; Romania--plants in Syria, in Baniyas for 6 million tons and plants in India, in Gauhati for 0.75 million tons and Khaldia, for 2.5 million tons.

The CEMA countries are assisting developing countries in the creation of a chemical industry. In Asia, Africa and Latin America numerous enterprises have been constructed for producing mineral fertilizers, sulfuric acid, antimony, automobile tires, dyes for fabrics and other chemical products for which the developing countries use to spend large amounts of foreign currency in the recent past.

The young machine-building industry is gathering force in the liberated countries. With assistance from CEMA countries more than 200 million machine-building and metal-processing enterprises have been introduced or are under construction in Afghanistan, Algeria, Egypt, Bangladesh, India, Iraq, Iran, Turkey and other countries. At the present time they themselves frequently



provide equipment for the newly constructed facilities in various branches, participate in the reconstruction of old enterprises and produce export products. In developing cooperation and machine building and metal processing, the organizations of the CEMA countries are oriented toward establishing stable ties with the enterprises that have been constructed with their assistance, toward introducing long-range forms of interaction, including specialization and cooperation, and toward efficient utilization and loading of free capacities and joint performance of planning, construction-installation and other kinds of work.

The CEMA countries are cooperating successfully with the liberated states in the creation of enterprises of the light, food, and medical industries, in housing construction, in transportation and communication, and in the building of railroads and highways.

Countries of the socialist community are giving the developing states the latest technical equipment and rendering assistance in assimilating it and in creating national scientific research institutes, laboratories and design bureaus as well as training scientific and technical personnel.

In recent years great significance has been attached to assistance in intensive development of agriculture in order to solve the food problem in these states.

With the participation of the CEMA countries about 250 facilities of agriculture in the agroindustrial complex have been put into operation, new land is being assimilated, irrigation systems are being constructed, farming and animal husbandry enterprises are being organized, machine and tractor stations, enterprises for processing agricultural products, veterinary laboratories and treatment centers, grain elevators and refrigeration facilities, hothouses for raising early vegetables and fruits, and scientific research laboratories and experimental stations are being constructed and equipped, national personnel are being trained for agriculture, and so forth.

The most effective way of training national personnel of developing countries is to train the workers and middle-level technical personnel in mass occupations during the course of the construction and installation of equipment and the operation of facilities that are constructed with technical assistance from the CEMA countries. This contributes to forming a basic part of the productive forces of the society--the skilled labor force.

An important role is assigned to centers for vocational and technical training. They have been created in Algeria, Egypt, Syria, Iran, Iraq and Afghanistan and they have become some of the main channels for providing skilled personnel for the key branches of the economies of the developing countries. A total of about 160 vocational and technical centers have been created and more than 50 are under construction or are to be constructed.

There are increasing numbers of engineering and technical personnel and other specialists who have received secondary and higher education in training institutions that were opened by the CEMA countries in liberated states. Such VUZes as the polytechnical institutes in Kabul (Afghanistan), in Bakhr-Dar



(Ethiopia), Port Harcourt (Nigeria), the Rangoon Technological Institute in Burma, the technological institute in Bombay (India), the Institute of Petroleum and Gas in Bumerdes (Algeria) and others are highly respected.

From year to year the admissions of citizens from developing countries to higher and secondary specialized training educational institutions of the CEMA countries are increasing. More than 100,000 of them have already acquired a specialty. At the present time there are more than 90,000 students, graduate students and trainees from 121 developing countries studying in these institutions.

The CEMA scholarship fund is very important for training national personnel on a multilateral basis. During the 10 years of its functioning about 5,500 students from 60 developing countries have been given scholarships for training in countries of the socialist community. More than 1,700 of these citizens have already acquired a specialty or increased their qualifications.

As payment for the assistance rendered by the CEMA countries, beginning in the 1970's they have received products from the enterprises constructed with their participation: petroleum, natural gas, bauxites, clay, ferrous and nonferrous metals, yarns, canned goods, chemical fertilizers and products of the chemical industry, and also certain kinds of machines and fertilizers. The proportion of these deliveries in the overall volume of imports of the CEMA countries from the developing states is fairly large.

The mutual interest of the countries of the socialist community and the developing countries in expanding equal and mutually advantageous relations on the basis of participation in international division of labor creates a reliable basis for further development of economic and technical cooperation.

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CSO: 1825/102

## SOCIALIST COMMUNITY AND CEMA AFFAIRS

### COMPARISON OF IIB, IBEC WITH IMF, IBRD

Moscow ARGUMENTY I FAKTY in Russian No 38, 17 Sep 85 p 2

[Article by V. Shagov: "Credit: Two Different Approaches"]

[Text] Lately our press frequently writes about the fact that more and more countries have recourse to loans in order to solve their economic problems. It is well known that socialist countries, too, are utilizing borrowed funds in economic practice.

Tell us, please, about the differences between the capitalist and the socialist systems of credit.

Yu. Barabanov, propagandist, Kostroma

In terms of its socialist-economic character, international socialist credit differs fundamentally from capitalist credit. The credit granted by socialist countries to each other is a means of economic cooperation and mutual assistance, the development and strengthening of socialist economic integration.

#### Comradely Mutual Assistance

International socialist credit relations are built on the principles of socialist internationalism, the respect of state sovereignty, independence and national interests, noninterference in the internal affairs of a country, complete equality, mutual advantage, and comradely mutual assistance.

These principles lie at the basis of the activity of the international credit institutions of the socialist countries--the International Bank for Economic Cooperation and the International Investment Bank, whose members are the 10 CEMA member countries. The share payments (quotas) of every country into the charter capital of the International Bank for Economic Cooperation and the International Investment Bank are determined according to the proportion of its export in the mutual trade of all the member countries of these banks. Since the volume of trade of the individual countries within the framework of the [socialist] commonwealth is unequal, the payments into the charter capital of the banks are also different. For example, the quota of the USSR in the charter capital of the International Bank for Economic Cooperation amounts to 38.1 percent, but that of the Socialist Republic of Vietnam--0.3 percent. In

the charter capital of the International Investment Bank, the quotas of these same countries amount to 37.3 percent and 0.3 percent. However, irrespective of the size of the payment into the charter capital, all countries have equal rights and opportunities in resolving questions of the activity of the banks.

In the supreme organs of the management of the banks--the Councils--every country has one vote. In regard to fundamental questions of the activity of the banks (the increase of the charter capital, payments into the charter capital, distribution of profits, etc.), the decisions of the Councils are taken unanimously, which reliably protects the interests of every country.

#### Dictate and Enslavement

The system of international capitalist credit is built on completely different principles. It appears as a weapon in the struggle for advantageous selling markets, cheap sources of raw material, and more profitable capital investment spheres. In conditions of imperialism, international credit is one of the main forms of capital export, a weapon of economic enslavement and the political enslavement of the underdeveloped countries.

The international credit organizations--the International Monetary Fund and the International Bank for Reconstruction and Development, and others--are the instruments of large-scale monopoly capital. For example, in the International Monetary Fund the quota of every country is determined according to the volume of its national income, export and import, and foreign exchange reserves. The votes in the leading organs of the IMF are distributed among the countries not on the basis of the principle of equality, but proceeding from the dimensions of the quotas.

At the beginning of the 1980's, the United States had 19.97 percent of the votes in the IMF, England--6.97 percent, Canada--3.26 percent. Ten industrially developed capitalist countries had 56 percent of all the votes, while more than 100 of the developing countries--4/5 of all the members--have only about 1/3 of the votes. If one takes into account the fact that the decisions of the Fund are basically taken by a majority of the votes, and that the approval of fundamental questions requires 85 percent of the votes, it becomes evident that the large imperialist states, and above all the United States, which practically have a veto right, determine the policy of the IMF.

The Fund grants credits on conditions for the realization of a program of the stabilization of the currency and economic situation which usually is contrary to the national interests of the borrower-country. The "stabilization programs" call for the limitation of internal credits, budget expenditures, and wages, and lead to a reduction in economic growth. Thus, making use of the most difficult economic situation of Sudan, which has been suffering from a severe drought, the IMF put forward harsh conditions: The devaluation of the Sudanese pound by almost 50 percent, the abolition of state subsidies for bread and other food commodities, the necessities and gasoline. The refusal of a country obtaining a credit to carry out the recommendations of the Fund closes off its access to the world market of loan capital.

## In the Interests of All and Everyone

The operation of international socialist credit is aimed at the overcoming of the fundamental differences in the levels of the economic development of the individual countries, the strengthening of their material-technical base, and the acceleration of scientific-technical progress, the intensification of public production, and the increase of its efficiency, and on this basis--at the increase in the standard of living of the peoples of the fraternal countries.

The credit conditions are extremely favorable. Thus, for credits in transfer rubles, the International Bank for Economic Cooperation, depending on their length, charges from 2 to 5 percent a year, the International Investment Bank --from 3 to 5 percent. For Mongolia, Vietnam and Cuba, advantageous percentage rates have been established: For credits of the International Bank for Economic Cooperation--0.5 to 2 percent, and for credits of the International Investment Bank--1.5 to 2 percent. Thanks to the advantageous credits of the International Bank for Economic Cooperation, Mongolia, Vietnam and Cuba have saved over 75 million transfer rubles during 1981-1984.

The use of international credit is conducive to the acceleration of scientific-technical progress. Thus, 96 percent of the total sum of credits of the International Investment Bank granted during 1971-1984 were directed into the fuel-energy, chemical, metallurgical, and machine building industries. The credits were granted for the construction, reconstruction and expansion of 85 projects with an estimated cost of more than 10 billion transfer rubles. Of them, 62 projects have already been placed into service. With the projects for which credits were extended in the CEMA member countries, goods valued at more than 23 billion transfer rubles have been produced.

Credit cooperation within the framework of the socialist commonwealth is a mutually advantageous process. On the one hand, the borrower countries receive additional means for the development of the national economy.

On the other hand, the creditor countries receive the possibility of importing --on account of the repayment of the credits--the commodities they need, the production of which would require large expenditures or would not be possible at all.

## Contemporary Usury

International capitalist credit is aimed at different objectives. It has become one of the weapons of neocolonialism, which is sharpening the antagonistic contradictions between creditor states and borrower states. If at the beginning of 1974 the total indebtedness of the developing countries was estimated at 70 billion dollars, by 1984 it exceeded 800 billion dollars.

The rates for credits come to 9-11 percent. In recent years, the banks have practiced the arbitrary increase of percentage rates, as the result of which the sum of the debt has sharply increased. Thus, the increase of the rates by 0.5 percent in April and again by 0.5 percent in May of the past year all

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at once added 600 million dollars to the foreign debt of Argentina, which has reached 45 billion dollars. During the past 8 years, for interest alone, the countries of Latin America paid 173 billion dollars to the developed capitalist countries. The result of such a policy of imperialism in the countries of the "third world" is the undermining of the national economy and the impoverishment of broad working strata of the population.

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UNITED STATES AND CANADA

INFLUENCE OF BUDGET ON U.S. POLICY ASSAILED

Moscow IZVESTIYA in Russian 30, 31 Aug 85

[Article by Melor Sturua: "USA: Budget and Politics"]

[30 Aug 85 p 57]

[Text] General John Vessey, until recently head of the Joint Chiefs of Staff of the U.S. Armed Forces (the equivalent of a chief of general staff), once remarked, "Everyone who works at the Pentagon needs to take diet pills." The general knew what he was talking about.

To judge from the Pentagon budget for the new (1986) fiscal year, practically approved already by the U.S. Congress, Vessey's wise counsel has clearly not been heeded on the Potomac. Quite different "pills" are in fashion in the U.S. military. Former Secretary of the Air Force Hans Mark describes their nature very forcefully: "We need everything, and as quickly as possible."

The initial impression was that legislators were fully resolved to cut the budget proposed by Reagan and Weinberger. More than 1,200 disputed budget items were heatedly discussed by 39 members of the House of Representatives and Senate in nine groups. An accord was finally reached. A budget of \$302.5 billion was approved. This is an impressive, an astronomical, sum. But the qualitative indicators of the budget are even more striking. Allocations for all 22 weapons systems initially rejected by the House and Senate have been restored. Moreover, the law anticipates raising the budget ceiling in order to compensate for inflation and guarantees that none of the weapons programs sought by the Pentagon will be cancelled next year. The slight divergence between the sums sought and those approved will not in any way be reflected in the delayed plan to fuel the arms race.

As one Capitol employee remarked, the fiscal 1986 defense budget "proves once again that Congress cannot cancel weapons systems." Cannot or will not? Paradoxical as it seems at first glance, the fact that, to use Senator Quayle's words, "Weinberger got almost everything he wanted" has become a reality thanks to the position taken by the Democrats, that is, the opposition party.

The shift to the right in the Capitol has strengthened the positions of the bloc of moderate and conservative democrats, whose nominal leader is Pennsylvania Congressman John Murtha, a former Marine infantryman and Vietnam war veteran. "I know what the impression is," he said, "but the Democrats are



resolutely behind defense." The defeats in the 1980 and 1984 presidential elections were interpreted by this wing of the Democratic Party as a vote of no-confidence in its military policy, which was supposedly "inadequate." "People are nearly in a panic about being called 'weaklings'," says Colorado Congresswoman Patricia Schroeder. "I have never heard such fiery rhetoric." The appropriate "conclusions" are being drawn from this. A coalition of old southern Dixiecrats and conservative northerners like Murtha and Chairman of the House Armed Services Committee Les Aspin operates on the principle "we can, we are patriots."

Democratic legislators are giving a green light to the arms race, beating their breasts like King Kong to prove their "toughness" and even boasting that all the wars waged by the USA in the 20th century "have begun under the leadership of Democratic presidents."

Trying to hurt the Democrats, Reagan declared during the 1980 presidential campaign, "We are now in greater danger than on the day following Pearl Harbor. Our Armed Forces are in absolutely no condition to defend the country." Such a statement is absolutely contradicted by reality. The 1970's were in no way years of disarmament for the USA. Suffice it to say that it was during these very years that such systems as the cruise missile, the MX, the Trident submarine and the Stealth bomber were started. According to FOREIGN AFFAIRS magazine, the USA had 4,000 strategic warheads in 1970, but when Carter passed the baton to Reagan there were 9,000. Pretty good disarmament! All this was also reflected in the Pentagon budget. Beginning in 1975, it grew an average of 33 percent annually for a number of years.

Within 10 days after Reagan moved into the White House, Weinberger proposed legislation anticipating a \$32 billion increase in the Carter budget. The start determined the character of the "long haul." And, although Congress "nibbles" at the Pentagon requests each year, the essence of the matter has not changed an iota. Thus, the initial Reagan-Weinberger budget anticipated a 55 percent real growth in military expenditures from 1981 through 1985. Congress approved 51 percent. But, as in the new budget, the reductions were purely cosmetic.

The quantitative increase in the Pentagon budget has spilled over, so to speak, into its qualitative orientation. From 1981 through 1985, a total of \$330 billion has been added to the U.S. defense budget. More than half this increment (\$191 billion) has gone into financing weapons modernization, including procurements, scientific research and experimental design. Without considering inflation, the level of allocations for these items was 50 percent higher in 1985 than in 1980. Thus, billions of dollars are being embodied in hundreds of systems and the hundreds of systems into a single strategy, an offensive strategy, a nuclear first-strike strategy. It is no accident that it has been the strategic offensive forces which have benefitted most from the growth in budget allocations. Three specialized programs -- the B-1 bomber, the MX missile and the Trident submarine and missile -- receive the lion's share of these expenditures.

The new defense budget exacerbates this dangerous trend even more, and in this instance, the reference is not only to quantitative parameters. Suffice it to recall the expenditures on implementing the "Strategic Defense Initiative" program, that is, space militarization and the production of new types of chemical

weapons. Also remarkable is the fact that Congress has allowed the administration to make a certain number of tests of anti-satellite weapons, although the House of Representatives voted in the first budget draft to completely prohibit such tests so long as the Soviet Union observed the moratorium on them.

The Pentagon has already "saluted" Congress by beginning to actualize the defense budget it adopted. The MX missile has been tested. It was launched from an underground silo at Vandenberg Air Base in California and "landed" in the Pacific Ocean near the Marshall Islands. There was a nuclear test in Nevada, northwest of Las Vegas; it was the 10th this year alone. Finally, tests of the ASAT anti-satellite system are planned for this fall.

...In October of this year, when the new budget takes effect, Pentagon chief Weinberger will set a unique record by becoming the Republican Secretary longest in this post (the similar record among democrats is held by Robert MacNamara, who headed the Pentagon from 1961 through 1968). The NEW YORK TIMES writes that "it will be hard for the military to reconcile themselves to less-lavish budgets in the atmosphere Weinberger has helped to create." The Secretary of Defense remained true to himself even after the new budget was approved. He made it unambiguously clear that the \$302.5 billion is not the limit, even for fiscal 1986. Weinberger declared that the president might demand "additional allocations" since, "under the constitution, it is the president's duty to seek the sum he considers necessary."

Curiously, the examination of this problem will end in November of this year. Curious not just because an upwards revision of the new defense budget is being planned immediately after it takes force. November is a special month for the Pentagon. It is in November that the Pentagon must report to the president its recommendations on whether the USA should observe the provisions of the SALT-2 Agreement. It is in November that the Pentagon must report to the president on progress in modernizing and augmenting strategic forces. It is widely known that Weinberger and the Pentagon are in favor of rescinding the SALT-2 Agreement and, on that basis, favor even greater expansion of the above modernization program. Quite understandably, such a policy dictates increasing defense allocations, that is, "adjustment" of the Pentagon budget just approved.

After familiarizing himself with the draft defense budget agreed to by the House and Senate, Congressman Les AuCoin cried in horror, "This isn't a draft, but unconditional capitulation!" And Senator William Cohen, a resigned apologist for it, remarked, "Congress can't say 'no' to a united Pentagon-contractor block." And again the question: cannot or will not?

...When the legislators began final discussion of the draft, the lights went out in the Capitol. The electric buzzers summoning members of Congress to vote also went out. Clerks had to collect them, roaming the darkened corridors and banging metal trash can lids. "Nothing strange about it, we always work in the dark," cracked Senate Republican leader Robert Dole glumly.

The Pentagon pentahedron is the "lodestar" in this darkness....

[31 Aug 85 p 5]

[Text] In the words of James Osborne, one of the captains of U.S. defense industry, "We are not purchasing weapons to aim at targets. We are purchasing weapons regardless of targets, as they are symbols of power."

Washington's target, of course, is world domination. So it maniacally strives for military superiority over the Soviet Union. In this sense, there is no target for American air and naval forces. But the Osborne paradox is correct in the sense that the thirst gripping the Pentagon military machine is not only limitless, but also senseless. This is made clearer, incidentally, from his subsequent statements as well. "The Soviet threat is simply an advertising gimmick to market all manner of schemes by the service arms," states Osborne. "There exists but a very weak interdependence between the nature of Soviet military capabilities and how the U.S. military programs are shaped."

Doubtless true. The defense budgets of the United States are not dictated by the "Soviet threat." They are written as dictated by the U.S. military-industrial complex. Politicians see a source of strength in the unrestrained arms race and smart operators see in it a source of riches. Overarming guarantees overprofits.

The character of the arms race in the USA is truly pervasive. The BULLETIN OF ATOMIC SCIENTISTS recently reported that the U.S. nuclear warhead stockpile currently stands at 25,590. Eight more types of nuclear warheads are now being produced. The total destructive power of the U.S. nuclear arsenal equals approximately half a million Hiroshima-sized bombs. "This is enough to destroy the whole world many times over," writes the journal of American nuclear scientists. This is what James Osborne had in mind when he maintained that the Pentagon first buys the weapons and then seeks a use for them.

American researcher Daniel Ford writes in "The Button" that the military budget is "the largest concentration of wealth in the economy." He stresses that two elements are closely interwoven with the defense budget -- unlimited power and incalculable amounts of money -- and that it is "impossible to stand up to" this tandem. The author cites the words of General Dickenson: "There are many fingers in this pie," that is, the defense budget. "No colonel gets to be a general by directing a program costing \$30,000. To do that, you need to run a \$3 billion program." But in fact, in addition to active service, there will also be in the future a membership on the board of directors of some particular defense business! Here, too, is the source of misappropriations of funds, unheard of even on a Pentagon scale, the source of understated contract costs followed by large cost overruns, the source of inconceivable duplication of procurements and other machinations which cause loud scandals from time to time, although these come to naught.

This continues today. Jack Anderson writes in the WASHINGTON POST, "The defense department contractor scandal flares up hourly. Nine of every 10 contractors

are under investigation by the Pentagon Inspector General regarding unlawful actions. Other departments are conducting criminal investigations of at least 36 of the 100 largest contractors. However, arms producers have a powerful friend among those who observe the observance of legality by [federal] agencies -- the Securities Exchange Commission -- which has granted Pentagon contractors full freedom of action. It prohibits forcing these companies to fully disclose their financial difficulties as required by law and by the regulations of the commission itself."

The impunity of the military-industrial complex is in a way "preinstalled" in the Pentagon budget and in the process of drawing it up. As admitted by David Stockman, until recently head of the U.S. Office of Management and Budget, the budget requests are not subjected to any critical study by experts at all. The "wish list" submitted by them is simply rubber-stamped by the White House. Incidentally, the latter is not in a position to do anything else. In Osborne's words, "the administration has no opportunities to draw up specification lists. It has entrusted this to the industrialists." Moreover, the growth in the defense budget has further stimulated its uncontrollability. The NEW YORK TIMES, quoting a Senate member "who requests that his name not be used," writes, "The large number of growing weapons programs makes it hard to monitor military expenditures and the deficit." And when the administration attempts to give the impression that it is "impatient" to control such expenditures, it is instructed that they are self-controlled. The most recent example of this is the Presidential Commission on Defense Management Regulation. It is comprised of industrialists and former Pentagon officials, headed by David Packard, former Assistant Secretary of Defense and current chairman of Hewlett-Packard.

And the Pentagon keeps on eating while it listens. A couple of days ago, the results of a Pentagon study of 76 of its largest contractors from 1980 through 1983 was published. According to this report, the profits of defense contractors during this period averaged nearly five percent on every dollar invested, significantly higher than the average profit levels in other branches of American industry. And this is in spite of the fact that the report intentionally skirts "questions of swindling, squandering and misappropriation of funds by them," as acknowledged by Air Force Colonel Finkbeiner, who made the study.

When the Reagan administration had just taken power, Melvin Laird, former Secretary of Defense in the Nixon administration, issued the following warning: "The worst thing that could happen to the country is unrestrained defense expenditures, which would cause economic chaos within the country and confusion abroad, and which the Pentagon is incapable of disposing of intelligently." This warning against a "spending binge" went unheeded (to be fair, let us note that Laird himself did not heed similar warnings when he directed the Pentagon). And so the United States has run into a record federal budget deficit of \$200 billion which promises to increase again next year. The foreign trade deficit is also at a record \$123.3 billion, threatening to reach the \$150 billion mark by the end of this year. The U.S. debt is an astronomical \$1.7 trillion. Attempts to make ends meet have been exclusively at the expense of domestic programs, that is, at the expense of the populace, of its social and economic rights. They have been cut 10-30 percent. As Lt Gen Hillsman states, "Everything that doesn't fly, float, run submerged or is not equipped with a huge weapon is subject to reduction."

According to calculations by the well-known American economist S. Melman, a 20-30 percent reduction in U.S. defense expenditures would permit a sharp reduction in the federal budget deficit even as early as this fiscal year and would free for developing the infrastructure of peaceful branches of the economy funds sufficient to create several million new jobs. S. Melman emphasizes that such a reduction would be "painless" for U.S. military security. But the fact remains that Washington is looking after not the security of the United States, but the achievement of military superiority over the Soviet Union, as a necessary step towards world domination. U.S. Assistant Secretary of Defense Richard Delauer openly admits that "the United States simply must run faster, to show the devil (that is, the Soviet Union -- M.S.) its backside" (a more risqué part of the body, in the original).

All this is not so simple, by any means. The Soviet Union will not permit Washington's "racers" to break military parity. They will not see that, as they will not see their own backside. However, the arms race marathon will thus continue and the threat of "stumbling" during the run grows many-fold. We are not the initiators of this morbid competition. Speaking at a press conference several days ago, Robert MacNamara reminded us that it is the USA which has always been the initiator of new spirals in the nuclear arms race, including space.

A study of the dynamics and character of U.S. defense budget growth leaves not a shadow of doubt that this is true. It is for good reason, as military columnist Charles Moore notes, that "Pentagon representatives avoid public discussion of questions of the strategic balance between the USA and the Soviet Union which have the most direct relationship to American modernization. In hopes of enlisting support for budget requests by the Department of Defense in the Congress and among the public, these officials prefer such evaluations as deal exclusively with Soviet weapons programs. Even more forbidden is the thought that American nuclear arsenals have long since attained adequate size."

A study of the dynamics and character of the growth in U.S. defense budgets reveals another secret about why the talks in Vienna, Stockholm and, most importantly, in Geneva have gotten stuck, about why Washington has not ratified a whole series of agreements leading to curbing the arms race, about why the peace-loving and constructive initiatives of the Soviet Union have been rejected out of hand on the Potomac. Convincing new testimony to this fact is the negative response to an invitation to join in a moratorium on nuclear testing. At his latest press conference, President Reagan did not agree, but babbled on with arguments against the moratorium. Incidentally, there was nothing sensational about this. Everything the president said is already in the fiscal 1986 Pentagon budget and in plans for the more distant future, even up to the start of the 21st century. Washington does not want to have a moratorium, as it needs nuclear testing to "road test" the new MX, Midgetman and Trident-2 submarine-launched D-5 strategic missiles. Washington doesn't want a moratorium because it would be an obstacle to carrying out the "Star Wars" program. (Thus, the "Excalibur" X-ray laser, for example, must be powered by nuclear energy.) As the NEW YORK TIMES writes, "the essence of the matter is that the Reagan administration's strategists do not want to stop."

...A well-known American physicist, Professor Victor Weiskopf of the Massachusetts Institute of Technology, a participant in the "Manhattan Project" (to

develop the atomic bomb for use against Hiroshima and Nagasaki), recently said, "Future generations, if there be any, will view the arms race as a dangerous instance of mass insanity." The most pronounced symptoms of this most serious sickness of humanity are contained in the U.S. defense budgets.

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CSO: 1807/504



CHINA/FAR EAST/PACIFIC

USSR-PRC: AGREEMENT ON ECONOMIC, TECHNICAL COOPERATION

Moscow FOREIGN TRADE in English No 8, Aug 85 p 53

[Text]

The Government of the Union of Soviet Socialist Republics and the Government of the People's Republic of China, hereinafter referred to as the Contracting Parties,

for the purpose of developing economic and technical cooperation, based on the principles of equal rights, mutual benefit, non-interference into each other's internal affairs and mutual respect of sovereignty,

proceeding from the necessity of creating a long-term basis for the further development of this cooperation,

for the purpose of promoting the economic development of both countries,

have agreed as follows:

**Article 1**

The Contracting Parties shall develop on a long-term basis, with account of the requirements and possibilities of the economies of either country, economic and technical cooperation in the fields to be agreed upon between the Parties.

**Article 2**

Cooperation provided for by this Agreement may include:

- 1) the development, exchange and transfer of technology and production equipment;
- 2) the design, construction and reconstruction of industrial enterprises and other projects;
- 3) the mutual rendering of technical services, supply of equipment and materials and training of technical personnel, as well as other possible forms of cooperation by agreement between the Parties.

**Article 3**

Specific conditions of cooperation shall be a subject of separate protocols and/or contracts to be concluded between the relevant organizations of the Parties.

**Article 4**

Either Contracting Party undertakes not to divulge and not to transfer to a third country technology and equipment provided to each other without the written consent of the other Contracting Party.

#### **Article 5**

The tasks provided for by this Agreement are to be fulfilled with coordination and control by the Soviet-Chinese Commission on Economic, Trade, Scientific and Technical Cooperation.

#### **Article 6**

This Agreement shall enter into force on the day of its signature and shall remain valid for 10 years. It shall be automatically extended for another consecutive five years upon expiry, unless either Contracting Party notifies in the written form the other Contracting Party 6 months prior to the expiry of this Agreement of its desire to terminate it.

In case protocols or contracts signed under this Agreement are not completely fulfilled before the expiry of this Agreement, this Agreement shall remain valid till they are fulfilled completely.

Done in Peking on December 28, 1984, in two originals, each in the Russian and Chinese languages, both texts being equally authentic.

**By authority of the Government  
of the Union of Soviet Socialist Republics  
I. ARKHIPOV**

**By authority of the Government  
of the People's Republic of China  
YAO YILIN**

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**CSO: 1812/15**

CHINA/FAR EAST/PACIFIC

USSR-PRC AGREEMENT ON SCIENTIFIC, TECHNICAL COOPERATION

Moscow FOREIGN TRADE in English No 8, Aug 85 pp 54-55

[Text]

The Government of the Union of Soviet Socialist Republics and the Government of the People's Republic of China, hereinafter referred to as the Contracting Parties, proceeding from the interests of the development of science and technology of both countries, being guided by the principles of equal rights and mutual benefit, taking into account that scientific and technical cooperation will contribute to economic development of the Union of Soviet Socialist Republics and the People's Republic of China, considering it necessary to create a long-term basis for the development of this cooperation, have agreed as follows:

Article 1

The Contracting Parties shall facilitate the development of scientific and technical cooperation between the two countries and determine directions in the field of such cooperation.

Article 2

In accordance with this Agreement cooperation between the parties may include:

- 1) exchange of scientific and technical delegations, individual scientists and specialists;
- 2) exchange of scientific and technical information and documentation, samples of articles and materials, know-how and licences;
- 3) organization of scientific and technical symposia and scientific conferences;
- 4) conduct of joint research and development, as well as exchange of the results of research and development;
- 5) other forms of scientific and technical cooperation, which can be mutually agreed upon.

### **Article 3**

The Contracting Parties shall facilitate scientific and technical cooperation of relevant agencies, organizations and enterprises of both countries in accordance with agreements or contracts concluded within the framework of this Agreement.

### **Article 4**

The Government of the Union of Soviet Socialist Republics appoints the USSR State Committee for Science and Technology and the Government of the People's Republic of China appoints the PRC State Committee for Science and Technology as executive bodies of this Agreement.

### **Article 5**

The Contracting Parties agreed that matters of commercial, financial and legal nature, arising in the course of cooperation, must be included into separate agreements and contracts to be concluded in accordance with legislation in force in both countries.

### **Article 6**

The Contracting Parties undertake not to transfer scientific and technical information and documentation received by them and their representatives within the framework of this Agreement to any third party without the official consent of the Party which provided this scientific and technical information and documentation.

### **Article 7**

This Agreement shall enter into force on the day of its signature and shall remain valid for 10 years. It shall be automatically extended for another consecutive five years upon expiry, unless either Contracting Party notifies in the written form the other Contracting Party 6 months prior to the expiry of this Agreement of its desire to terminate it.

Done in Peking on December 28, 1984, in two originals, each in the Russian and Chinese languages, both texts being equally authentic.

**By authority of the Government  
of the Union of Soviet Socialist Republics  
I. ARKHIPOV**

**By authority of the Government  
of the People's Republic of China  
YAO YILIN**

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CHINA/FAR EAST/PACIFIC

USSR-PRC AGREEMENT TO ESTABLISH COOPERATION COMMISSION

Moscow FOREIGN TRADE in English No 8, Aug 85 pp 53-54

[Text]

The Government of the Union of Soviet Socialist Republics and the Government of the People's Republic of China, hereinafter referred to as the Contracting Parties,

for the purpose of further developing economic, trade, scientific and technical cooperation between the two countries, based on the principles of equal rights and mutual benefit, non-interference into each other's internal affairs and mutual respect of sovereignty,

have agreed as follows:

Article 1

The Contracting Parties agree to establish a Soviet-Chinese Commission on Economic, Trade, Scientific and Technical Cooperation, hereinafter referred to as the Commission.

Article 2

The major tasks of the Commission shall be:

- 1) control over the implementation of agreements and arrangements between the two countries in the field of economic, trade, scientific and technical cooperation;
- 2) preparation of proposals aimed at the promotion of stable development of economic, trade, scientific and technical cooperation;
- 3) joint consideration of measures directed at the further expansion of cooperation.

Article 3

The Commission shall consist of the Chairmen, members and secretaries appointed by either Contracting Party respectively. Deputy Heads of the Governments of the Contracting Parties shall be appointed as Chairmen of the Commission of the Parties. In case of necessity the Parties can attract appropriate persons to participation in the work of regular meetings of the Commission.

Current activities of the Commission shall be carried out by the secretaries of the Commission.

Annual regular meetings of the Commission shall be held alternately in the Union of Soviet Socialist Republics and the People's Republic of China. The Parties shall agree in advance on the convocation of the meeting and its agenda.

The protocols of the meeting shall be signed by the Chairmen of the Parties on the completion of each regular meeting of the Commission.

#### **Article 4**

In case of necessity and by mutual agreement of the Chairmen of the Parties the Commission can establish permanent and temporary working bodies subordinate to it.

#### **Article 5**

This Agreement shall enter into force on the day of its signature and shall remain valid for 10 years. It shall be automatically extended for another consecutive 5 years upon expiry, unless either Contracting Party notifies in the written form the other Contracting Party 6 months prior to the expiry of this Agreement of its desire to terminate it.

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CHINA/FAR EAST/PACIFIC

SRV: FOOD EXPORTS TO USSR

Moscow FOREIGN TRADE in English No 8, Aug 85 pp 29-32

[Article by Doan Viet Le, General Director of Vegetexco: "Prospects of Vietnam's Vegetable and Fruit Export to the Soviet Union"]

[Text]

The Socialist Republic of Vietnam has favourable soil and climatic conditions for increasing export vegetable and fruit production as well as large manpower reserves needed.

Geographically, Vietnam is rather close to the Soviet Far East, refrigerator ships cover this distance in six to nine days. The USSR Far East shipping company refrigerator ships, specializing in transporting fresh vegetables and fruits have for many years, including those of the Vietnamese people's difficult struggle against the US aggressors, visited Vietnamese ports despite bombardment by US planes. At first only the Haiphong port was used for shipping vegetables and fruits to the USSR. Today such ports as Da Nang, Qui Nhon, Nha Trang (Central Vietnam) and Saigon port in Ho Chi Minh City share in this trade. Besides the Far East shipping company vessels transporting vegetables and fruits now the Latvian and Black Sea shipping companies are performing this service. In addition, Aeroflot once a week flies fresh vegetables, and fruits and flowers to Moscow from the Tan Son Nhat (Ho Chi Minh City) and Noi Bay (Hanoi) airports.

In recent years Vietnam has augmented the volume and range of tropical vegetables, fruits and spices supplied to the USSR. At present Vietnam exports pineapples, water melons, bananas, oranges, cauliflower, kohlrabi, bulb onion, garlic, black and red pepper, ginger and flowers (gladioli, chrysanthemum, carnations, lilies and orchids) to the USSR.

Vietnam supplies the USSR not only with fresh but also processed vegetables and fruits, such as canned pineapples, papaya, rambutan, mango and fresh-frozen fruits and vegetables.

In recent years Vietnam's vegetable and fruit export to the Soviet Union has annually increased on average by 30 to 40 per cent, in certain years a 70 per cent growth was observed. In 1984 the delivery volume of fruits and vegetables to the USSR grew in cost terms 3.4-fold relative to that in 1981.

On the whole considerable results in developing Vietnam's vegetable and fruit production and export to the USSR have been achieved.

Under the long-term specific cooperation programme of the two countries in producing, processing and exporting vegetables and fruits, signed October 31, 1983, the Soviet Union is rendering active assistance to relevant Vietnamese organizations. This is promoting the growth of Vietnam's export potential and contributing to Vietnam's socialist industrialization. Concrete aspects of the above assistance are:

- creation of agro-industrial complexes for producing, storing, processing and transporting vegetables and fruits to the USSR;

- expansion and reconstruction of existing Vietnamese enterprises turning out canned, frozen and dried produce;

- construction of new enterprises and bases for processing and storing vegetables and fruits;

- specific deliveries of various technical facilities to Vietnam to accelerate an increase of fruit and vegetable production and their export to the USSR;

- manufacture of various types of modern containers and packaging assuring high keeping qualities of fruits and vegetables during long shipment and numerous transshipments;

- construction of a system of specialized warehouses and wharfs in Vietnam's large ports;

- reorganization of loading-unloading work;

- the setting up of special docker teams for loading and unloading vegetables and fruits;

- preparation of new Vietnamese ports for exporting vegetables and fruits to the USSR;

- assurance of the timely arrival of Soviet refrigerator ships to Vietnam's ports to receive the harvested vegetables and fruits;

- the use of scientific and technical advancements at all stages of production and export to increase yields, the quality of produce and to obtain higher economic indicators.

Besides the above the Soviet Union grants credits, supplies equipment and materials, sends specialists and is helping Vietnam make specialists of its own nationals. In capital investments, the number of projects being constructed and the volume of products

supplied to the Soviet Union this cooperation programme is one of the largest ever between Vietnam and the USSR. To realize the said programme a comprehensive solution of questions concerning growing, processing, storing, purchasing, packaging, and shipping products within the country and outside it is needed.

In 1986-1990 it is planned to increase the volume of Vietnam's vegetable and fruit export to the USSR six times above that achieved in 1981-1985.

Fresh and processed pineapples are Vietnam's traditional export items. Agro-industrial complexes specializing in growing and processing standard export pineapples are to be presently set up (in the provinces Quang Nam-Da Nang, Nghia Binh, Ho Chi Minh City). These complexes being formed with the USSR's assistance will increase three to four times the production and export of fresh and processed pineapples in the next five-year plan period (1986-1990) compared to the current one.

Banana export to the USSR in the next five-year plan period will also have a four- to fivefold increase. Measures aimed at intensifying farming, the use of insecticides, special treatment of fresh bananas which will substantially prolong their storage period, and improvements made to the quality of tare and packaging will promote realization of this task. Moreover, serious stress is placed on the manufacture and export of dried bananas. To augment this type of produce special facilities will be constructed in the regions where the fresh banana crop amounts to 5,000-6,000 tons per year.

State farms are undertaking measures that will intensify farming, expand irrigated lands and raise orange crop capacity and substantially increase orange export by 1990. At the same time larger exports of fresh mandarines, lemons, grapefruit, water melons and canned papaya, rambutan, mango, durian and other tropical fruits are planned.

The programme imparts great importance to raising Vietnam's production and export to the USSR of bulb onion, garlic, white cabbage, kohlrabi, carrot, potato, cucumber, tomato, etc. Vietnam's main vegetable-growing regions are in the vicinity of its sea ports. Export of processed vegetables is also envisaged and that of spices such as red pepper is expanding. For instance, the red pepper delivery volume to the USSR in 1986-1990 is to treble that of 1981-1985.

The growing of vegetables and fruits for export is concentrated in specialized regions to ensure large stable crops. The main idea is to increase output and raise the quality of exported fruits and vegetables. A perfect system of processing enterprises sited adjacent to raw material sources envisages production intensification and construction of new enterprises processing vegetables and fruits in accordance with the goods items lists stipulated by the two sides in the cooperation programme for producing tropical vegetables and fruits. With the Soviet Union's assistance scores of vegetable- and fruit-processing enterprises throughout Vietnam's territory, in Hanoi and Ho Chi Minh City will be fitted out with modern equipment, reconstructed and enlarged. By 1990 the canning capacities will be augmented four to five times above the existing ones. Enterprises producing frozen vegetables and fruits (provinces Tien Giang, Hau Giang, Ho Chi Minh City, north Vietnam's provinces) will have their capacities trebled by 1990 above the 1984 output. Vietnam and the USSR have coordinated measures for expanding the output of powdered and dried products. The production of dried bananas, bulb onions, garlic, ginger, red pepper and dried vegetables is to be developed at outstripping rates. Scores of drying enterprises will be constructed in the regions growing vegetables and fruits. Enterprises drying vegetables and fruits in Hanoi and Ho Chi Minh and some provinces had been supplied with additional equipment and the new manufacturing processes introduced which gradually improved the export products quality even in 1984.

Emphasis is placed upon perfecting packaging that assures preservation of exported vegetables and fruits during long transportation periods and the numerous transshipments. In particular, special capital investments are allocated for expanding the existing enterprises manufacturing packaging; the work on improving its quality is under way. Under the sides' understanding the Soviet Union will supply Vietnam with various materials for manufacturing containers and packaging for each type of export product.

Construction of specialized warehouses for concentrating and storing goods is accelerated. In addition to the system of warehouses in the growing and processing regions construction of large-capacity specialized warehouses in the vegetable and fruit shipment ports—Haiphong, Da Nang, Qui Nhon, Ba Ngon, Saigon and Can Tho is envisaged. Spe-

cialized cold-storage warehouse capacities in Haiphong and Ho Chi Minh are being expanded. The USSR will help construct refrigerating chambers (each of 3,000 to 4,000 ton capacity) in Saigon port. In the next five-year plan period the total cold-storage warehouse capacities will be five to six times more than at present. A system of special cold-storage premises will assure concentration of large volumes of produce, their preservation in accordance with current standards, continuous loading of vegetables and fruits on refrigerator ships arriving in Vietnamese ports.

With the USSR's assistance a transport network ensuring the delivery of vegetables and fruits from the growing regions and processing enterprises to ports of shipment is being designed. The supply of transportation facilities with equipment assuring the preservation of products during transportation is planned. Shipment ports will have special wharfs for loading vegetables and fruits, and the versatile docker teams having specialized loading-unloading facilities, devices and handling means. The working group on transport of the Intergovernmental Soviet-Vietnamese Commission on Economic, Scientific and Technical Cooperation has planned a regular and timely supply of Soviet refrigerator ships to receive and transport Vietnamese vegetables and fruits to the USSR.

The cooperation programme on fruits and vegetables provides for the setting up of research institutes for the study of tropical vegetables and fruits, as well as for solving problems of raising the crops' yielding capacity and quality, improving the goods preservation, for elaborating advanced processing techniques, upgrading packaging quality and improving transportation, etc. Now the possibilities of manufacturing new types of products from vegetables and fruits are under study.

To successfully realize the two countries' cooperation programme on fruits and vegetables a number of undertakings is planned that will economically stimulate the export vegetable and fruit producers, the rational use of equipment, materials and facilities supplied by the Soviet Union, improve produce quality and increase delivery volumes.

The specific long-term programme of cooperation between the two countries concerning the production, processing and export of vegetables and fruits began in 1984. Realization of this programme will promote the creation in Vietnam of a large

modern economic sector producing vegetables and fruits for meeting the Soviet people's demands, particularly in the Soviet Far East. The successful implementation of the cooperation programme on fruits and vegetables will contribute to the fulfilment of the USSR Food Programme.

An Agreement on cooperation in 1986-1990 in producing in Vietnam vegetables and fruits for their delivery to the Soviet Union was signed between Vietnamese and Soviet Governments in Hanoi, January 20, 1985. On behalf of our countries' Governments the Agreement was signed by Tran Quynh, Deputy Chairman of the Council of Ministers of Vietnam, and N. V. Talyzin, Deputy Chairman of the Council of Ministers of the USSR.

The USSR will render technical assistance in setting up, constructing, expanding and modernizing two agro-industrial complexes for processing 68,000 tons of pineapples per year (20,000 tons of canned pineapples), four canneries, two cold-storage warehouses, three cooling warehouses, enterprises for drying carrots, onions, bananas, two others manufacturing quick-frozen products and a factory turning out cardboard boxes. In addition the Soviet Union will supply machinery and equipment, spare parts, materials and transportation facilities, oil products, fertilizers, etc.; Soviet specialists will be sent to work in Vietnam and Vietnamese personnel trained in the USSR.

For its part, Vietnam will assure increasing deliveries of fresh, canned, fresh-frozen and dried fruits and vegetables to the Soviet Union in 1986-1990.

The signing of this Agreement will undoubtedly promote the development and deepening of our countries' long-term trade and economic cooperation.

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CHINA/FAR EAST/PACIFIC

COOPERATION BETWEEN INDOCHINA, ASEAN COUNTRIES SUPPORTED

ZA RUBEZHOM Comment

Moscow ZA RUBEZHOM in Russian No 27, Jul 85 p 1

[Text] The party-government delegation from the Socialist Republic of Vietnam, led by the General Secretary of the Central Committee of the Communist Party of Vietnam, Le Duan, has begun its official friendly visit to the USSR. The Soviet people hail the arrival of these high-ranking guests from Vietnam, and express their certainty that this visit will be a new step forward in the development of multifaceted fraternal relations between our parties, countries and peoples.

In all areas, Soviet-Vietnamese cooperation is successfully developing, and is exerting a positive influence on the solution of important socio-economic problems in the USSR and the SRV. Our countries closely coordinate their activity in the international arena, making a weighty contribution to the struggle of the countries of the socialist community, as well as all progressive forces of the planet, for peace and socialism. The SRV fully supports the consistent course of the CPSU and the Soviet government, as well as the peace-loving initiatives of the USSR, which have been taken with the goal of preventing nuclear catastrophe, banning the spread of nuclear weapons into space, restraining the arms race, and expanding cooperation between states. This position of the SRV was confirmed at the Fifth CPV Congress.

For Good-Neighborly Relations

Vietnam, Laos, and Kampuchea are conducting a consistent struggle to secure the fraternal solidarity of the three nations of Indochina, and jointly stand for the establishment in Southeast Asia of good-neighborly relations and trust, and for this region to become a zone of peace, stability, and cooperation.

This principled course was clearly formulated at the 1983 conference of the highest leaders of the SRV, the LPDR, and the PRK (People's Republic of Kampuchea), which took place in Vientiane. "In the past years," it is noted in the declaration of this conference, "in spite of difficulties created by forces of international reaction, the LPDR, the PRK, and the SRV have persistently supported a course of peace, friendship, and good-neighborliness in relations with the ASEAN countries. Experience has shown

that friendly relations and cooperation between the ASEAN countries and Indochina is a highly important factor in ensuring peace and stability in Southeast Asia." Proceeding from this analysis of the situation, the participants in the conference called for working out all differences between the two groups of countries in Southeast Asia through political negotiations "on the basis of good-neighborliness, peaceful coexistence, abstention from any attempts to interfere in internal affairs, to sow division from without, or to use the territory of one country against another."

The proposals which were spoken for at Vientians are being developed and made more specific at foreign ministers' conferences, which are regularly held twice a year by the three states of Indochina. At this point (and in January of this year the tenth such conference was held) Vietnam, Laos and Kampuchea have in essence advanced an entire, concrete program, the realization of which would bring about the normalization of the situation in Southeast Asia. It envisions steps to search for a form of dialogue with the ASEAN countries, including the makeup of its participants, the level of representation, and the means for conducting an international conference for discussion of the situation in Southeast Asia.

These conferences have repeatedly emphasized the justice of the position of the Indochinese states, which holds that the question of withdrawing Vietnamese volunteers from Kampuchea must be inseparably connected with the task of removing the threat from the reactionary Pol Pot clique, and with the problems of guaranteeing the right of the Kampuchean people to self-determination and respect for the national rights of all the peoples of Southeast Asia.

The recent development of the situation in Southeast Asia confirms the realistic nature of this course. There is a growing understanding that the gradual processes of stabilization of popular rule which are taking place in Kampuchea are irreversible. This is so apparent that, despite all difficulties, which are created primarily by outside forces (and it is sufficient to point out that even if Washington kindles the fire of military conflict on the Thai-Kampuchean border, and appropriates five million dollars for "aid" which in fact consists of arms for Kampuchean reactionaries, including the followers of Pol Pot, who are guilty of exterminating three million people) a tendency towards mutual understanding between the two groups of states in this region of the world has appeared and is acquiring a certain stability. The development of contacts between Vietnam and Indonesia, which was notable in 1984 and the beginning of 1985, testifies to this. The attention of world public opinion was particularly drawn to the Second Vietnamese-Indonesian Symposium on the questions of the development of the situation in the world and the Asian-Pacific region, economic and political conditions in Southeast Asia, and Vietnamese-Indonesian relations, which took place in February of this year. In connection with the symposium, the newspaper NYAN ZAN commented that "the new spirit of the age directs the people of Vietnam and Indonesia towards further strengthening of their centuries-old relations in the interests of both countries, and in the name of peace, stability and cooperation."

The Indochinese countries are also quite consistently pursuing the idea of calling an international conference on Southeast Asian issues. Their latest initiative in this direction consists of a proposal to call an international conference "for the discussion of all problems which have a bearing on peace and stability in Southeast Asia, with the participation of all the states of this region, as well as those states outside its borders which are directly interested in it or which have already made their contribution to the cause of peace and stability in Southeast Asia." Commenting on the nature of the three Indochinese countries' proposal, the SRV Foreign Minister Nguen Ko Thach said: "earlier the Indochinese countries proposed the organization of an international conference, the composition of which, besides the Indochinese and ASEAN countries, includes another six countries which participated in the establishment of peace in Indochina (1954), in Laos (1961-62), and in Vietnam (1973). On this occasion the Indochinese countries proposed the addition to their number of new countries that are making an essential contribution to the cause of peace in Southeast Asia, such as Switzerland and Australia. We hope that in due course there will be more countries supporting the cause of peace in Southeast Asia."

In this context--the context of the struggle for the establishment of good-neighborly relations in Southeast Asia, the Indochinese countries are proposing to solve concrete aspects of regional problems, such as the stabilization of the situation on the Thai-Kampuchean border, and the normalization of the relations of Vietnam, Laos, and Kampuchea with China. On this question, it was declared at the January (1985) foreign ministers' conference of the SRV, the LPDR, and the PRK that "the three countries of Indochina, which are waging a resolute struggle for the defense of their homelands, consistently hold in high esteem their time-tested friendship with the Chinese people, and always strive for the soonest possible restoration of this friendship. Relations of friendship and cooperation between Vietnam, Laos, and Kampuchea, on the one hand, and the People's Republic of China, on the other, would be an extremely important factor promoting peace and stability in Southeast Asia."

#### A Contribution to the Common Struggle

The efforts of the three countries of Indochina towards normalization of the political climate in Southeast Asia join the ranks of the general struggle of the peoples for peace, and against the adventuristic policy of militant imperialism. The representatives of the fraternal parties of the socialist countries have repeatedly declared this.

The Soviet Union consistently supports the construction efforts undertaken by Vietnam, Laos, and Kampuchea in an effort to achieve a political settlement of Southeast Asian problems, the consolidation of peace and stability in this region, and regulation of the political dialogue between the Indochinese states and the ASEAN countries. This is the only reasonable course towards a normalization of the situation in the region, a normalization in which all of its inhabitants are interested and which would fully satisfy the aim of rendering the situation in Asia as a whole more healthy.

SRV Foreign Minister in Indonesia

Moscow IZVESTIYA in Russian 29 Aug 85 p 4

[Article by B. Vinogradov, "A New Desire for Dialogue"]

[Text] The foreign press regards the visit to Indonesia of the SRV Foreign Minister, Nguen Ko Thach, as an important political event for the Southeast Asian countries. During his negotiations in Jakarta with the Foreign Minister, M. Kusumaatmaja, problems of regional and bilateral relations were examined. It was noted in newspaper commentaries that this was the first meeting at such a level when the two parties spoke not only in the name of their governments, but also as representatives of the two existing groups of countries in Southeast Asia: Indochina and ASEAN.

Despite all the complexities of this region's problems, a tendency towards equal dialogue and settlement of controversial questions is ever more persistently finding a path. And it should be recognized that much credit for this belongs to the three countries of Indochina, who have consistently made one initiative after another towards their neighbors with the aim of transforming Southeast Asia into a zone of peace and stability. The latest example of this is the constructive proposal made at the recent Phnom Penh Foreign Ministers Conference of Vietnam, Laos, and Kampuchea. The declaration of its participants that the withdrawal of Vietnamese volunteers from Kampuchea might be completed by 1990 met with approval in the capitols of the ASEAN states. In Jakarta, Nguen Ko Thach once again emphasized this decision and pointed out the SRV's readiness to expedite its implementation in the event that a political settlement is achieved.

It is no secret that one of the main obstacles to such a settlement is the criminal activity of the Pol Pot and other forces of Khmer reaction, who are firmly entrenched on Thai territory and carry out armed attacks on the PRK. It is also clear that the removal of the Pol Pot followers--the butchers of the Kampuchean people--from the political arena and the liquidation of their bases in Thailand would create favorable conditions for the normalization of the situation in the border region, and would clear the way for the solution of a whole array of problems.

As the negotiations in Jakarta demonstrated, the Indochinese countries and ASEAN are united by a common desire for the arrangement of a dialogue and the relaxation of tension in the region. Nguen Ko Thach and M. Kusumaatmaja unanimously spoke for the strengthening of peace and security in Southeast Asia, and declared their readiness to continue the dialogue. Of course, during negotiations the two sides also found questions upon which they hold different points of view. In particular, the question of who will participate in negotiations for a settlement of the problems related to Kampuchea. In this regard, the PRK expressed readiness to enter into negotiations through a mediator with representatives of Khmer forces abroad, excluding the Pol Pot clique, with the aim of achieving national reconciliation.

Both groups of states have also agreed in principle to the conduct of an international conference on problems of peace and security in the region. The question of the participants in such a conference is still to be decided. The Vietnamese minister invited his Indonesian colleague to visit Hanoi, and this proposal was accepted. Agreement has also been achieved on the expansion of commercial and cultural ties between Vietnam and Indonesia.

The results of the discussion of a wide range of questions at the Jakarta meeting testify that the countries of Indochina and ASEAN have taken an essential step in the direction of mutual understanding and good-neighborliness. The new impetus which has been given to the developing dialogue between the two groups of countries will undoubtedly facilitate the improvement of the situation in the Southeast Asian region.

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MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

USSR-DRA: ECONOMIC, TECHNICAL COOPERATION

Moscow FOREIGN TRADE in English No 8, Aug 85 p 32

[Text]

The Soviet Union is helping Afghanistan build 213 enterprises and projects, more than one hundred of them are already in operation.

At present Soviet organizations are rendering assistance to Afghanistan in developing the country's different sectors: industry, power generation, transport, communications, agriculture, public health and also in training national specialists. Work is being effected on expanding Hairaton port, restoring some sections of the Hairaton-Kabul highway, on reconstructing the technical systems of the Salang tunnel. Work is under way on building a residential district in Kabul. The construction of the USSR state border-Holm-Mazar-i-Sherif 220 kV electric power transmission line is nearing completion. Survey and design of the proposed Holm-Pul-i-Khumri branch power line is being accomplished. Great attention is given to the efficient utilization of agricultural machinery delivered from the Soviet Union for machinery and tractor stations which showed a 30 per cent of agricultural work increase in 1984 as against 1983. The training of machine

operators continued. Assistance is rendered to the Republic of Afghanistan in organizing agro-chemical services, seed-controlling laboratories and artificial insemination stations. Prospecting for oil, gas and solid minerals is in progress.

Under the Agreement on Economic and Technical Cooperation between the USSR and the Democratic Republic of Afghanistan signed February 1985 and other intergovernmental documents Soviet organizations are to render assistance in organizing a base for carrying out emergency restoring and repairing operations on the electric power transmission line and substations of the Kabul and other electric power systems of Afghanistan, in working out technico-economic substantiations for the construction of a cascade of hydro-electric power stations on the Kabul river, in assisting the restoration of some sections of the Kabul-Hairaton highway, in repairing avalanche-protecting tunnels and the roadway between Kalatak and Dushak. Reconstruction of the Kabul airport will be continued. In the vicinity of the Kokcha irrigation system construction of a 2,000 hectare cotton-growing state



farm will be set up (including the necessary hydro-reclamation operations). The Agreement also provides for the construction in Kabul of the Bibi-Magru residential area (total area up to 400,000 square meters), for modernizing the Bagrami textile complex and the Pul-i-Charhi wool-spinning and weaving mill in Kabul.

For the economic assistance in building and streamlining the said projects the Soviet Union granted the Government of Afghanistan a credit; also envisaged is the sending of Soviet specialists.

The implementation of the signed Agreement and other intergovernmental documents is opening a new important stage in Soviet-Afghan economic and technical cooperation, that is aimed at strengthening the Republic of Afghanistan's key economic sectors.

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MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

EVENTS LEADING UP TO SUDAN COUP, FUTURE TASKS DESCRIBED

Moscow AGITATOR in Russian No 15, Aug 85 pp 44-46

[Article by A. Bakulin under rubric "The Agitator's Atlas": "Sudan"]

[Text] The Sudan is territorially one of the largest countries in Africa. It is situated in the northeast of the continent. Territory (2.5 million square kilometers): desert in the north, savannah in the south. Population (19.6 million, as of 1981 data): basically Arabs (48 percent), but also tribes of Nubian and Nilotic origin. Population in the south are basically Negroids: Dinka, Nuer, Shilluk. Capital of the country: Khartoum (more than 1.2 million inhabitants); situated close to the confluence of two rivers, the White Nile and the Blue Nile. A large part of the population professes Islam.

Prior to January 1956 the Sudan, which was factually a colony of Great Britain, was formally under dual Anglo-Egyptian administration. The country achieved its independence as a result of a struggle that was waged for many years against the British colonizers. Sudan's independence was also recognized by Egypt, where, after the July 1952 revolution, revolutionary democrats came to power. However, the imperialists did not want to give up their positions after the country had acquired independence. With their support on 17 November 1958 a military coup was carried out in the Sudan, a reactionary dictatorial military regime was established, and it intensified the country's dependence upon foreign capital, linking the country with the imperialistic powers.

The reactionary, proimperialistic policy of the military dictatorship led to the activization of the revolutionary movement. In October 1964 the military regime was overthrown. In addition to representatives of the rightist political parties, Communists became part of the national government. A year later the reactionary forces achieved their elimination from the government and the banning of the Sudanese Communist Party.

The reactionary government of General Abboud, which operated during that period, was overthrown on 25 May 1969 by the reactionary-democratic forces of the Sudanese army. The groundwork was laid in the country for the carrying out of progressive socioeconomic reforms. Sudan began to carry out an antiimperialistic policy. In addition to the representatives of other

revolutionary-democratic forces, Communists operated in the highest agencies of state authority.

The imperialistic intelligence services and rightist forces kept attempting to push the government onto an antidemocratic course. But the democratic forces continued to be disjointed and could not oppose the pressure of the rightists. On 19 July 1971 a group of leftist-oriented officers undertook an unsuccessful armed attempt to seize power. The repressions of the authorities against the participants of the "19 July Movement" extended also to the Communist Party. The country's progressive orientation was eliminated. The United States of America took advantage of that fact in order to intensify its expansion in the region. Operating along the political course determined by Washington, the Sudanese government headed by D. Nimeiri supported a separatist Camp David deal. Nameiri opened his doors broadly for the American military, which received advantages in the country. Annual joint military maneuvers were conducted on Sudanese land by the armed forces of the Sudan and U.S. and British troops. The country was transformed actually into a base for the armed interference of the imperialistic forces into the affairs of neighboring Ethiopia, Chad, Libya, and other African countries. Sudan became the second (after Egypt) African country with regard to the volume of the U.S. aid received.

However, the annual American aid did not help the Sudanese nation in the resolution of the critical socioeconomic problems that had been aggravated by the reactionary domestic policy of the ruling regime and by the severe famine that had overtaken the country as a result of the drought that struck East Africa in 1984. During the past ten years Sudan's foreign debt increased by a factor of 15, and has reached \$9 billion.

In addition to the serious economic position, the Sudanese nation was unable to cope with the dictatorial methods of government used by the Nimeiri regime, which heaped repressions upon the trade unions and political parties. Not only the leftist forces, but also all the political parties with the exception of the ruling Sudanese Socialist Union, found themselves in the underground. Well-known political figures in the country -- representatives of various parties, including Communists -- were subjected to arrests.

The domestic-policy situation became especially acute after the separation of the South of the country, which previously had been a single region enjoying the rights of autonomy, into three regions and the introduction of so-called Islamic legislation. The population in the South saw in this separation a violation of the Addis Ababa agreements (1972), in conformity with which it had achieved, as a result of a long struggle, its autonomous rights. Dissatisfaction also began increasing as a result of the introduction of "Islamic legislation" -- the shariat -- in September 1983, inasmuch as the majority of the southerners are Christians or animists.

The dissatisfaction developed into armed opposition to the authorities. The armed struggle was headed by the Sudanese People's Liberation Movement [SPLM]. On its basis the Sudanese People's Liberation Army [SPLA] was created. The well-known progressive figure in the South, John Garang, became the leader of the SPLM-SPLA, which waged an armed struggle for the overthrow of the

dictatorial regime and the creation of a democratic government in the Sudan. For the first time in the history of the country, and this must be especially emphasized, an armed movement in the South had come forward not with separatist slogans but with a nationwide platform for struggle.

Armed detachments of the SPLA in 1984 struck a number of serious blows at the governmental troops. This resulted in the discontinuation of the activity of foreign companies, including the Chevron oil-drilling company, and, factually speaking, the disruption of communication with the North. There was also the intensification of the struggle being waged by the masses of the people in the North under the leadership of the political parties in the opposition.

Under conditions of the sharp aggravation of the socioeconomic problems in the country and the dissatisfaction of the masses of the people, in February-March 1985 Sudan was visited by a U.S. military delegation headed by Assistant Secretary of Defense Taft, and then Vice President Bush arrived. In order to preserve its positions in the country, the United States promised additional military and economic aid. Almost simultaneously the International Monetary Fund and the International Bank for Development and Reconstruction, which are backed up by the United States, demanded, for purposes of "stabilizing the situation: in the economy of Sudan, the discontinuance of the state subsidies on necessities of life, and that led to a sharp increase in the prices of foodstuffs and other necessities of life.

That decision caused an explosion of indignation in the country. President Nimeiri departed on a long trip -- across the ocean. On 1 April he met with President Reagan and received the promise of additional aid in the amount of \$114 million. Reagan called the discontinuance of the state subsidies on foodstuffs "highly commendable actions."

Meanwhile the popular dissatisfaction in the country developed into a general strike, and then into a mass uprising. Under those conditions, the branch trade unions and the opposition parties created the Union for the National Salvation of Sudan [UNSS], of which the Sudanese Communist Party also became a participant.

In addition to the Sudanese Communist Party, the UNSS included the following parties: "Al Umma," the Democratic Union, the Ba'ath Party (pro-Iraqi orientation), the Naserist Arab Socialist Party, the Islamic Socialist Party, the "Muslim Brothers" organization, the "Al Muatamar" party, the Party of Southern Sudanese, and certain others.

On 6 April 1985 a military coup was carried out in Sudan. The power in the country was transferred into the hands of the Transitional Military Council [TMC], headed by Commander in Chief of the Sudanese Army, General-Colonel Abdel Rahman Sivar ad-Dagab. The military announced the removal of President Nimeiri, the dissolution of the parliament, the government, and the entire previous administration, the arrest of the most prominent representatives of the previous regime, and the introduction of an emergency situation.

Having seized the power in the country under the conditions of an upsurge in the broad antiimperialistic popular movement, the TMC was forced to enter into

negotiations with the UNSS, as a result of which an understanding was reached concerning the need to eliminate the heritage of the previous regime, to carry out the political isolation of its proponents, and to guarantee the democratic freedoms and the independence of the public organizations, the trade union movement, and the mass information media. Among the basic tasks confronting the new administration, the following were mentioned: the bringing of the country's economy out of its state of decline; the resolution of the problem of the South on a democratic basis, that guarantees complete cooperation in the development of that region, as well as the "restoration of the balance" in the area of foreign trade; the normalization of relations with neighboring countries, and with the USSR; and the carrying out of a policy of nonalignment. At the same time it was stated that Sudan will continue to maintain friendly relations with the United States and Saudi Arabia, and to strive for integration with Egypt.

It was decided to limit the transitional period to one year, during the course of which the draft version of the permanent Sudan constitution was to be prepared and a constituent assembly would be elected, which would be transformed after the ratification of the constitution into a parliament with a term of office of four years.

The TMC announced a general amnesty for those persons who had been censured and persecuted by the previous regime for political reasons. The Sudanese Communist Party, the leaders of which had taken part in all meetings with the TMC, also announced its legalization.

After the negotiations between the UNSS and the TMC, the Transitional Government of Sudan [TGS] was created; UNSS chairman Al-Jazuli Dafaalla became the chief of that government. The government which included, for the most part, civilians, was given executive functions and was made accountable to the TMC. Three places in the government, including the position of deputy prime minister, were given to South Sudanese figures.

An understanding was reached to the effect that the basis of the political cooperation between the TMC and the civilians would be a charter that was advanced by the UNSS, that requires the elimination of the structures of the previous regime and all the consequences of its rule, and the laying of the foundations of democracy and the reinforcement of the country's independence.

The chief sense of the April events in Sudan consists in that the Nimeiri dictatorship was eliminated as a result of mass demonstrations by the Sudanese nation. General Secretary of the Central Committee of the Communist Party of Sudan, Mouhammed Hougoud called these events "a great, profound victory of the Sudanese nation." He stated that "one should not underestimate the capabilities of this movement," although it is well known -- and one would scarcely think that anyone would seriously deny this -- that many unresolved problems still stand on the path of the Sudanese nation. Because one can guarantee the stability in the country only by having resolved the socioeconomic problems, and that requires, first of all, the profound democratization of social life. The country's future, thus, depends upon the ability of the masses of the people, and primarily the working class, to consolidate.

Another problem that is of tremendous importance is the problem of the South. The Transitional Military Council has announced the abolition of the separation of the South into three regions, although the combat actions between the governmental troops and the insurgents have not been discontinued, and, as a whole, the problem remains unregulated, and without its resolution the stabilization of the situation in Sudan is impossible.

Problems that remain vitally important are the problems of normalizing the relations that Sudan has with its neighbors, primarily Ethiopia, and also of restoring the previously friendly ties with the Soviet Union and the other socialist countries. The achievement of a balance in the international relations would promote the reinforcement of the positions of Sudan, which is continuing to feel pressure on the part of the United States and other imperialistic countries.

Today it can be stated definitely that the first stage in the struggle against the Nimeiri dictatorship, the fight for democratization, the fight to bring the country out of the orbit of imperialistic influence has been concluded. A new phase has begun in the struggle for democracy, development, and the resolution of the vitally important socioeconomic problems.

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